

COMMONWEALTH OF MASSACHUSETTS

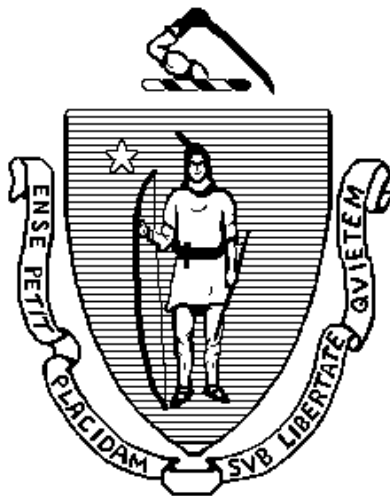
Statutory Basis Financial Report

*Fiscal Year Ended
June 30, 2014*



Deval L. Patrick, Governor
Glen Shor, Secretary of Administration and Finance
Martin J. Benison, Comptroller

Commonwealth of Massachusetts



Statutory Basis Financial Report

For the Fiscal Year Ended June 30, 2014

Martin J. Benison, CGFM
Comptroller of the Commonwealth

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

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Arthur Smith Covered Bridge – Colrain
Photo Credit: Massachusetts Office of Travel and Tourism

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For the Fiscal Year Ended June 30, 2014

Table of Contents

	<u>Page</u>
<i>Introductory Section</i>	
Comptroller's Letter of Transmittal.....	1
Constitutional, Legislative and Judicial Officers.....	16
Organization Chart of State Government	17
Advisory Board to the Comptroller	19
Acknowledgments	20
 <i>Financial Section</i>	
Independent Accountants' Review Report	23
 <i>Combined Financial Statements - Statutory Basis:</i>	
Combined Balance Sheet - Statutory Basis – Budgeted Funds.....	26
Combined Statements of Revenues, Expenditures and Changes in Fund Balances - Statutory Basis - Budget and Actual - Budgeted Funds	27
Combined Statements of Revenues, Expenditures and Changes in Fund Balances - Statutory Basis - Non-Budgeted Special Revenue and Capital Projects Funds.....	28
Notes to Combined Financial Statements - Statutory Basis	29
 <i>Combining and Individual Fund Financial Statements - Statutory Basis:</i>	
<u>Budgeted Funds:</u>	
Fund Descriptions.....	39
Combining Balance Sheet - Statutory Basis	42
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Statutory Basis	46
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Statutory Basis - Budget and Actual	50
 <u>Individual Budgeted Funds:</u>	
General Fund	56
Commonwealth Transportation Fund	60
Commonwealth Stabilization Fund	62
 <u>Administrative Control Fund</u>	
Intragovernmental Service Fund.....	64
 <u>Environmental Funds:</u>	
Inland Fisheries and Game Fund	66
Marine Recreational Fisheries Development Fund.....	68
 <u>Other:</u>	
Public Safety Training Fund	70
Children and Families Protection Fund	72
Massachusetts Tourism Fund	74
Local Capital Projects Fund.....	76
Local Aid Stabilization Fund.....	78
Manufacturing Fund	80
Community College Fund	82

Table of Contents (continued)

Non-Budgeted Special Revenue Funds:

Fund Descriptions.....	85
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Statutory Basis	94

Capital Projects Funds:

Fund Descriptions.....	107
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Statutory Basis	108

Supplemental Information:

Calculation of Transfers:

Stabilization Fund.....	112
Tax Reduction Fund	113
Schedule A – Tax Revenues by Revenue Class.....	114
Schedule B – Calculation of Cap on Stabilization Fund.....	115
Schedule C – Detail of Elimination of Budgetary Inter Fund Activity.....	116
Non-Tax Revenue Initiatives	118
Schedule of Post Employment Benefits.....	119

Statistical Section

Ten-Year Schedules:

Revenues and Other Financing Sources – Statutory Basis	122
Tax Revenues by Source – Statutory Basis	124
Expenditures and Other Financing Uses by Secretariat – Statutory Basis.....	126
Budgeted Funds Expenditures and Other Financing Uses by Major Program Category	128
Long-Term Bonds and Notes Outstanding	129

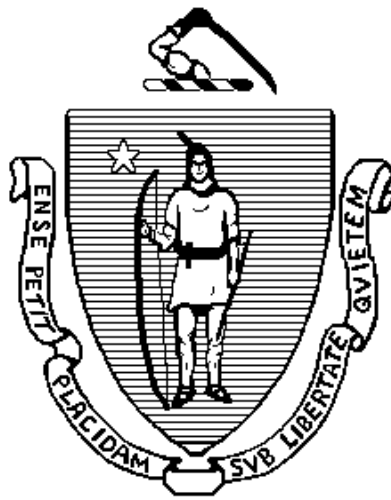
Higher Education Non-Appropriated Activity

Descriptions.....	131
Combining Higher Education System – Statutory Basis	132
University of Massachusetts – Statutory Basis	133
Combining State University Systems – Statutory Basis	134
Combining Community College System – Statutory Basis	136

Introductory Section



Comptroller's Letter of Transmittal
Constitutional, Legislative and Judicial Officers
Organization Chart of State Government
Advisory Board to the Comptroller
Acknowledgements



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*Martin J. Benison, Comptroller
One Ashburton Place
Boston, MA 02108*

October 31, 2014

***To the Citizens of the Commonwealth of Massachusetts,
Governor Deval L. Patrick and Honorable Members of the
General Court***

I am pleased to present to you the Statutory Basis Financial Report (SBFR) of the Commonwealth for the fiscal year ended June 30, 2014 (FY14).

As of June 30, 2014, the Commonwealth had a budgeted fund balance of approximately \$1.451 billion and completed the fiscal year with a consolidated net surplus of \$22.8 million, sufficient to provide \$11.4 million to the Massachusetts Life Sciences Investment Fund and \$11.4 million to the Massachusetts Community Preservation Trust Fund. The total budgeted fund balance of \$1.451 billion reflects a loss (revenues and other financing sources less than expenditures and other financing uses) of approximately \$424 million, deducted from the FY14 beginning balance of \$1.874 billion. This follows an FY13 operating loss of \$115.4 million. Of the total budgeted fund balance, \$1.248 billion is reserved in the Stabilization Fund, compared to \$1.557 billion at the end of FY13. At the end of FY14, \$190 million is reserved for continuing appropriations (including \$22.8 million in FY14 end-of-year surplus allocations) and debt service into fiscal year 2015. The remaining undesignated balance of \$12.1 million is made up of smaller budgeted fund balances.

During FY14, budgeted fund tax revenues increased by \$1.190 billion, or 5.8%, from FY13, as the economy continued its moderate recovery. Income taxes increased by \$371 million, or 2.9%, from FY13 and sales and use taxes increased by \$335 million, or 6.5%. Total budgeted fund revenues and other financing sources increased by \$1.995 billion, or 5.7%.

In FY14, there were approximately \$754 million in one-time revenues and savings used to balance the Commonwealth's budget, down from approximately \$903 million in FY13 one-time solutions.

Significant FY14 uses of one-time resources included:

- \$350 million in Stabilization Fund reserves;
- \$196 million in judgments and settlements revenues that would have otherwise gone to the Stabilization Fund under recently revised statutory provisions;
- \$80 million in federal and departmental revenues;
- \$52 million due to a change in the Delivery System Transformation Incentive payment schedule;

- \$46 million in additional revenues from a delay in the implementation of the so-called FAS 1099 corporate tax deduction;
- \$23 million in transfers from Commonwealth trust accounts;
- \$7 million in one-time contributions from quasi-public entities.

In FY14, \$45 million was transferred to the Commonwealth Stabilization Fund as a result of a statutory requirement that capital gains tax revenues in excess of \$1.023 billion be deposited in that fund. This requirement is intended to reduce the Commonwealth's reliance on one-time revenue sources. Under a second statutory requirement, also intended to reduce reliance on one-time revenue sources, an additional \$437 million in one-time tax settlements received in FY14, would have been transferred to the Commonwealth Stabilization Fund. However, temporary changes to state finance laws enacted in FY14 (subsequently made permanent in modified form) required all such tax settlements to be retained in the General Fund and used to finance the Commonwealth's operating budget and fund up to \$57.5 million in year-end expenditures.

During FY14, the Commonwealth also transferred \$7 million in investment income earned by the Stabilization Fund to the General Fund.

As the Commonwealth continued its emergence from a recession that ended nationally in June 2009, employment in the Commonwealth continued to grow in FY14. Between June 2013 and June 2014, on a seasonally adjusted basis, Massachusetts employment grew by approximately 47,700, or 1.4%, compared to employment growth of 1.8% for the United States as a whole over the same period. In June 2014, the Massachusetts unemployment rate was 5.5%, compared to 6.1% nationally.

The General Appropriation Act for FY15 is based on a consensus tax revenue estimate of approximately \$24.337 billion, of which approximately \$20.939 billion represents taxes available for budget after adjusting for \$3.398 billion in tax revenue that is allocated to state pension contributions (\$1.793 billion), sales tax revenue dedicated to the Massachusetts Bay Transportation Authority (\$811 million) and the Massachusetts School Building Authority (\$772 million) and revenue transferred to the non-budgetary Workforce Training Fund (\$22 million). The FY15 tax revenue estimate was further adjusted to \$24.627 billion (of which \$21.229 billion was available for budget, including \$122 million in capital gains revenue that is estimated to be transferred to the Stabilization Fund and will not be available for budgetary purposes) as a result of several tax law changes included in the FY15 budget or enacted separately.

As of September 30, 2014, FY15 tax collections were \$48 million below the year-to-date benchmark based on the \$24.627 billion estimate. On October 15, 2014 the Executive Office for Administration and Finance reaffirmed the FY15 tax revenue estimate of \$24.627 billion and taxes available for budget of \$21.229 billion.

Overview of the Financial Statements

This report focuses on the Commonwealth's budgeted funds. For the budgeted funds, the activity and balances of each fund are presented separately. For all other funds included in this report, the activity – inflows and outflows – are presented in tabular form.

The financial operations of these funds are maintained in the Massachusetts Management Accounting and Reporting System, (MMARS). The statewide accounting system is operated by the Commonwealth and contains detailed information summarized in this report.

The SBFR is intended to satisfy the requirements of state finance law and to present the results of FY14 activity in the Commonwealth's funds. The report contains computations required by state finance law, including the certification of transfers to and balances in the Stabilization Fund and Tax Reduction Fund.

Basis of Accounting

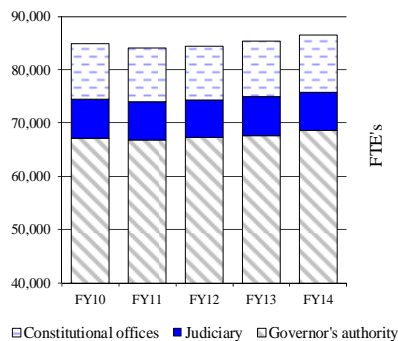
The statutory basis of accounting, defined in Massachusetts law, is used to budget and control fiscal operations. The statutory basis of accounting is not in conformity with accounting principles generally accepted in the United States of America (GAAP) as defined for governments by the Governmental Accounting Standards Board (GASB). In addition, Fiduciary Funds are not included in this presentation. I will report the Commonwealth's financial position on a GAAP basis in December, in the State's Comprehensive Annual Financial Report (CAFR). That report, which will be prepared in accordance with GAAP, provides a basis for comparison with other governments. There are significant differences between what is contained in the SBFR and what will be presented in the CAFR according to GAAP. The major differences are that the CAFR reflects capital assets and depreciation expense, all types of long-term obligations – including debt – and that in the CAFR the financial statements are presented in an all-encompassing, net position and net expense format.

In accordance with Section 12 of Chapter 7A of the Massachusetts General Laws, as amended, the Office of the Comptroller is required to transmit the SBFR by October 31st. The SBFR for the fiscal year ended June 30, 2014 herein is reviewed, not audited, by KPMG LLP and represents the closing of the Commonwealth's books for the fiscal year.

Lottery

In FY14, the Commonwealth transferred approximately \$920 million to municipalities in so-called Unrestricted General Government Aid (formerly called Lottery Aid), as appropriated in the FY15 General Appropriation Act.

***Full Time Equivalent Workforce
Including Higher Education
June 2010 – June 2014***



***Budgeted
Revenues and Other
Sources***

Gross Lottery revenues (including the Arts Lottery) increased from \$5.043 billion in FY13 to \$5.051 billion in FY14, or 0.1%. Lottery profits, after deducting administrative expenses and fringe benefit charges reimbursed to the Commonwealth's General Fund, totaled \$975 million, an increase of \$97 million, or 11.1%, from FY13.

The FY15 General Appropriation Act contains provisions for \$946 million in Unrestricted General Government Aid.

Full-Time Equivalent Employment

The chart to the left shows the Commonwealth's full-time equivalent employment including Massachusetts Department of Transportation (MassDOT) for all state funding sources (budgetary, non-budgetary, capital, federal and trust) over the past five fiscal years. In FY14, the number of Commonwealth FTEs increased by approximately 1,100, to a total of 86,490, with most of the increases in public safety (approximately 421 additional FTEs), health and human services (approximately 362 additional FTEs) and the courts (approximately 183 additional FTEs). Employment levels increased by a total of approximately 1,643 FTEs between June 30, 2010 and June 30, 2014 restoring some of the reductions that occurred in FY09 and FY10.

The Budgeted Funds

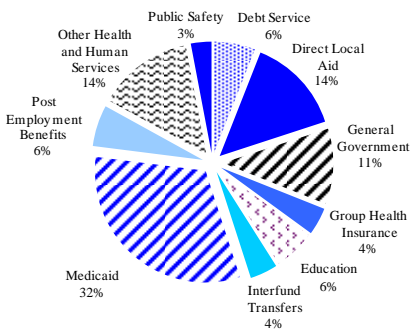
The FY14 General Appropriation Act (GAA) authorized approximately \$33.527 billion in spending, exclusive of approximately \$1.630 billion in required pension contributions and \$283 million in FY13 spending authorized to be continued into FY14 as part of FY13 end-of-year supplemental budgets.

The FY14 budget as enacted by the Legislature was based on a FY14 consensus tax revenue estimate of \$22.334 billion, of which approximately \$19.179 billion represented taxes available for budget after adjusting for \$3.155 billion in tax revenue allocated to state pension contributions (\$1.630 billion), sales tax revenue dedicated to the Massachusetts Bay Transportation Authority (\$799 million) and the Massachusetts School Building Authority (\$704 million) and revenue deposited in the non-budgeted Workforce Training Fund (\$22 million).

The FY14 tax revenue estimate was further adjusted to \$22.797 billion (of which \$19.642 billion was available for budget) as a result of several tax law changes included in the FY14 budget or enacted separately. On October 15, 2013 the Executive Office for Administration and Finance reaffirmed the FY14 tax revenue estimate of \$22.797 billion and taxes available for budget of \$19.642 billion.

The estimate was later revised upward by \$403 million to \$23.200 billion on January 14, 2014. Tax revenues ended the year at \$23.369 billion, \$169 million above the final FY14 tax estimate and \$572 million above the original FY14 tax estimate.

Budgeted Expenditures and Other Uses



Approximately \$582 million in supplemental appropriations were authorized during FY14 prior to June 30, 2014. Subsequent to year end, an additional supplemental budget was enacted totaling approximately \$89 million in new and continued appropriations, \$38 million of which was for FY14 expenditures and \$51 million of which was continued to FY15 and reappropriated. The year's significant supplemental appropriation activity included:

- \$226 million transfer for payments to hospitals that provide care for low-income Massachusetts residents; the majority of the increase is aligning federal fiscal year 2013 payments with federal approval timelines;
- \$66 million for the Group Insurance Commission to pay health care benefits for Commonwealth employees;
- \$62 million for emergency homeless assistance for family shelters and services;
- \$34 million to compensate private counsel who defend indigent defendants;
- \$62 million for snow and ice removal costs;
- \$28 million to reimburse cities and towns for lost revenue from charter school funding;
- \$24 million to pay Sheriffs' Departments costs;
- \$15 million to fund the costs of collective bargaining agreements;
- \$15 million to seed a brownfields redevelopment fund;
- \$11 million for a purchase of service rate increase;
- \$11 million for a facility services program;
- \$11 million for the operations of the House of Representatives;
- \$7 million for a reserve for Sheriffs' facilities operations;
- \$6 million for delivery of group care services;
- \$5 million for a Community College critical investment reserve.

FY14 budgeted revenues and other financing sources (before transfers between the budgeted funds, which are included in both spending and revenue and thus have no effect on fund balances) totaled \$35.473 billion, an increase of \$1.694 billion, or 5.0%, from FY13. Tax revenue grew by \$1.190 billion, or 5.8%, as a result of continuing growth in the economy and despite a \$399 million decrease in capital gains tax revenues that resulted from a one-time acceleration of capital gains realizations by investors in FY13 in anticipation of tax increases effective January 1, 2014, much of which was "borrowed" from FY14. Federal reimbursements increased by \$144 million, or 1.7%, primarily due to growth in reimbursable Medicaid spending. Departmental revenue totaled \$3.712 billion, an increase of \$342 million, or 10.1%, primarily due to an increase of \$217 million in pharmacy rebates and \$52 million in employer portion of health insurance reimbursements from non-state entities and cities and towns. Interfund transfers from non-budgeted funds totaled \$1.567 billion, an increase of \$18 million, or 1.2%.

The Commonwealth continues to receive revenues from the Master Settlement Agreement (MSA) between the states and the tobacco industry to recover healthcare costs for tobacco-related illnesses. The MSA provides for three sets of payments to the states: Initial Payments in 1999-2003; Annual Payments starting in April 2000 and running in perpetuity; and Strategic Contribution Payments from 2008-2017. The MSA estimates Commonwealth revenues for the first 25 years of the settlement to be approximately \$8.962 billion, including Strategic Contribution Payments. However, this estimate is subject to future adjustments, including adjustments for inflation and changes in the volume of domestic cigarette sales. In FY14, the Commonwealth received \$282 million, an increase of \$29 million from FY13. The \$282 million represented approximately 76.2% of the estimated amounts shown in the MSA. By statute, in FY14 approximately \$56 million, or the equivalent of 20% of tobacco settlement proceeds, normally would have been transferred directly to the State Retiree Benefits Trust Fund (SRBTF) to fund the Commonwealth's liability for retiree health care. However, the FY14 General Appropriation Act altered this requirement so that an amount equivalent to 20% of tobacco fund proceeds be transferred from unspent debt service appropriations, rather than from tobacco proceeds themselves. The FY15 budget funds a transfer to the SRBTF equal to 30% of tobacco settlement proceeds from unspent debt service appropriations, with funds transferred from tobacco settlement proceeds if there are insufficient unspent debt service appropriations to make to finance the transfers. The transfers to the SRBTF will increase 10% per year until an amount equal to 100% of the tobacco settlement proceeds are transferred in FY23.

FY14 budgeted expenditures and other financing uses, including transfers to non-budgeted funds (but before transfers between the budgeted funds) totaled \$35.897 billion, an increase of \$2.003 billion, or 5.9%, from FY13, primarily due to increases in health care spending, including Medicaid and local aid.

Spending on programs and services totaled \$30.211 billion, an increase of \$2.117 billion, or 7.5% from FY13. Medicaid expenditures totaled \$11.901 billion, an increase of \$1.101 billion, or 10.2%, from FY13, due to provisions of the federal Affordable Care Act (ACA), which expanded eligibility for Medicaid as of January 1, 2014, as well as due to base enrollment growth.

Debt service totaled \$2.133 billion, up \$16 million, or 0.8% from FY13. Interfund transfers to non-budgeted funds (primarily the Universal Health Care funds) totaled \$1.502 billion, a decrease of \$214 million, or 12.5%, primarily due to decreases in health care transfers of \$116 million to the Delivery System Transformation Initiatives Trust Fund and \$117 million to the Commonwealth Care Trust Fund. Post-employment benefits (for pension contributions and retiree health insurance) grew by \$83 million, or 4.2%. Spending for direct local aid (both education aid and unrestricted aid), at \$5.293 billion, was up \$17 million, or 3.5%, from FY13. The Budgeted Funds – Operations table on page 7 displays the FY14 summary of budgeted funds compared to FY13. The FY14 financial statements for each of the thirteen active individual budgeted funds are included in the financial section of this report.

In conducting the budget process, the Commonwealth excludes from its forecast those “interfund” transactions within the budgeted funds that are included in this report; these transactions by their nature have no impact on the combined fund balance of the budgeted funds. The table Budgeted Funds – Operations isolates this “interfund” activity from the budgeted sources and uses to align forecasts prepared during the budget process to actual amounts in this report. In FY14, transfers among the Budgeted Funds increased by \$277 million, or 24.3%, due primarily to increased transfers from the Stabilization Fund to the General Fund. A detailed list of these interfund transfers is included in Note 3 of the financial statements and Schedule C of the Supplemental Information section of this report.

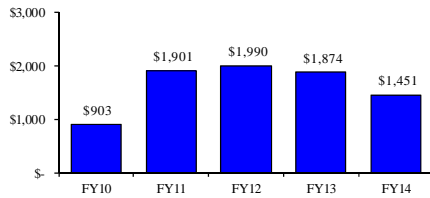
Budgeted Funds - Operations
(Amounts in thousands)

	2014	2013
Beginning fund balances:		
Reserved and designated.....	\$ 297,121	\$ 170,467
Reserved for Stabilization Fund.....	1,556,657	1,652,118
Undesignated.....	20,579	167,141
Total.....	1,874,357	1,989,726
Revenues and other financing sources:		
Taxes.....	21,822,030	20,631,882
Federal reimbursements.....	8,372,145	8,228,417
Departmental and other revenues, including tobacco settlement.....	3,712,372	3,370,528
Interfund transfers from non-budgeted funds and other financing sources..	1,566,608	1,548,131
Budgeted revenues and other financing sources.....	35,473,155	33,778,958
Intragovernmental Service Fund revenues.....	339,715	316,540
Interfund transfers among budgeted funds and other financing sources.....	1,417,275	1,140,020
Total revenues and other financing sources.....	37,230,145	35,235,518
Expenditures and other financing uses:		
Programs and services.....	30,211,239	28,094,482
Debt service.....	2,133,428	2,117,218
Post employment benefits.....	2,050,361	1,967,042
Interfund transfers to non-budgeted funds and other financing uses.....	1,501,942	1,715,585
Budgeted expenditures and other financing uses.....	35,896,970	33,894,327
Intragovernmental Service Fund expenditures.....	339,715	316,540
Interfund transfers among budgeted funds and other financing uses.....	1,417,275	1,140,020
Total expenditures and other financing uses.....	37,653,960	35,350,887
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(423,815)	(115,369)
Ending fund balances:		
Reserved and designated.....	190,032	297,121
Reserved for Stabilization Fund.....	1,248,435	1,556,657
Undesignated.....	12,075	20,579
Total.....	\$ 1,450,542	\$ 1,874,357

The graph of Budgeted Funds – Fund Balance on the left portrays the combined fund balance in the budgeted funds for the past five years.

At June 30, 2014, the ending balance is comprised mainly of the fund balance of the General Fund and the Stabilization Fund. Due to designations of fund balances, \$190 million of the total budgeted fund balance, exclusive of the Stabilization Fund, is reserved for appropriations and debt service in FY15. The remainder is undesignated.

Budgeted Funds – Fund Balance
(Amounts in millions)



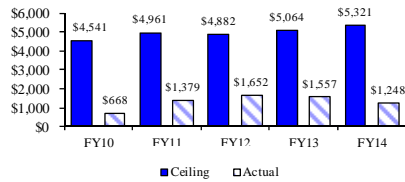
The Stabilization Fund

As states around the country continue to struggle with ongoing fiscal challenges, the importance of the Stabilization Fund (or “rainy day” fund) cannot be overemphasized. State fiscal conditions improved during FY14, according to the National Association of State Budget Officers’ (NASBO) publication *The Fiscal Survey of the States: Spring 2014*, with eight states reporting a total of \$1.0 billion in enacted mid-year budget cuts for fiscal 2014, compared with eleven states enacting \$1.3 billion in mid-year budget cuts in fiscal 2013 and eight states enacting \$1.7 billion in cuts in fiscal 2012. During FY14, the Commonwealth drew on \$350 million in Stabilization Fund resources to maintain budget balance.

In addition, \$7 million of investment income was transferred from the Stabilization Fund to the General Fund per the FY14 budget. These withdrawals from the Stabilization Fund were offset by a net transfer of \$41 million in capital gains tax revenue to the Fund in accordance with legislation that required all capital gains taxes over \$1.023 billion be transferred to the Stabilization Fund and then equal 5% transfers to the SRBTF (\$2.3 million) and the State Pension Liability Fund (\$2.3 million). For FY14, statute also required that all individual settlements and judgments in excess of \$10 million be deposited directly to the Stabilization Fund, which would have resulted in \$437 million being transferred to the Stabilization Fund in FY14, but this provision was suspended by budgetary legislation enacted during the fiscal year and all settlements and judgments were retained in the General Fund.

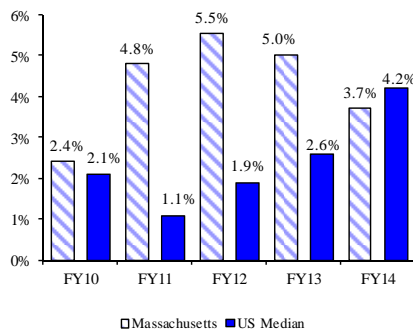
The FY15 General Appropriation Act requires that prior to making any FY14 end-of-year Stabilization Fund deposit, the Comptroller transfer up to \$25 million to the Massachusetts Life Sciences Investment Fund, \$25 million to the Massachusetts Community Preservation Trust Fund and \$7.5 million to the Social Innovation Financing Trust Fund. However, since the ending consolidated net surplus was \$22.8 million, only \$11.4 million was transferred to the Massachusetts Life Sciences Investment fund and \$11.4 million was transferred to the Massachusetts Community Preservation Trust Fund and there was no transfer to the Social Innovation Financing Trust Fund. At the end of FY14, the Stabilization Fund balance was \$1.248 billion, a decline of approximately \$308 million from FY13. For FY15, the General Appropriation Act authorizes that \$140 million be drawn from the Stabilization Fund and mandates that all investment income earned by the Stabilization Fund be transferred to the General Fund, which transfer was made in July 2014. Through September 30, 2014, there had been no deposits made to the Stabilization Fund in FY15.

Stabilization Fund Balance (Amounts in millions)



The chart on the left shows that the Stabilization Fund balance increased by more than \$709 million in FY11 and \$273 million in FY12 as the Commonwealth emerged from the recession, but declined by \$95 million in FY13 and \$308 million in FY14, as the Commonwealth drew on Stabilization reserves to maintain budget balance. *The Fiscal Survey of the States* ranked the Commonwealth fourth in the nation at the end of FY13 (the most recent year for which final stabilization fund balances were available for all states) in terms of the total balance in the Stabilization Fund. Seven states had no stabilization fund balance at the end of FY13.

Stabilization Fund Percentage of Budget Compared To US Median



Of the states with over \$10 billion in General Fund expenditures for FY13, the Commonwealth's Stabilization Fund balance as a percentage of General Fund expenditures ranked third in the nation. The FY14 estimates released by NASBO in June 2014, together with the results reported in this SBFR, indicate that Massachusetts's Stabilization Fund balance of \$1.248 billion, or 3.7% of General Fund expenditures, will rank fifth in the nation in absolute size and fourth in the nation as a percentage of expenditures for states with over \$10 billion in expenditures. The chart on the left shows the Commonwealth's Stabilization Fund balance as a percentage of General Fund expenditures compared to the median of all 50 states. (The median is a better measure than the average of all states because Alaska and Texas - whose revenue streams have benefited from strong oil revenues in recent years - together accounted for almost half of all stabilization fund balances nationally in FY14.). By that measure, Massachusetts's Stabilization Fund balance of 3.7% of General Fund expenditures was below the estimated national median of 4.2% of expenditures.

While Massachusetts maintains a Stabilization Fund balance that is larger than that of many states, the Commonwealth has continued to draw on the rainy day fund as its economy and tax revenues have been recovering. This is an indication that current expenditures have exceeded current available resources during the fiscal year. While credit rating agencies have continued to maintain the Commonwealth's strong bond rating, they have identified the state's continued reliance on reserves to balance its budget as an area requiring improvement. The Commonwealth's Stabilization Fund balance has not yet been restored to pre-recession levels and thus may leave the state vulnerable when the next revenue downturn occurs. The General Appropriation Act for fiscal year 2015 reduces the net Stabilization withdrawal to \$30 million compared to \$308 million in fiscal year 2014.

The Non-Budgeted Funds

The Non-Budgeted Funds represent operations in which the government has imposed its sovereign authority but has excluded these operations from the annual budget process. During FY14, the Commonwealth maintained 92 non-budgeted funds, while another 17 were inactive.

The largest non-budgeted funds in terms of revenues include the Lottery Fund, the Federal Grants Fund and the Commonwealth Care Trust Fund. Other funds that show large inflows include the MBTA State and Local Contribution Trust Fund, the School Modernization Trust Fund

and the Grant Anticipation Notes Trust Fund, which are financed by transfers of tax revenues and federal grant receipts.

The table Non-Budgeted Special Revenue Funds – Operations below summarizes the FY14 non-budgeted funds. A Statement of Revenues, Expenditures and Changes in Fund Balance is presented in a table within this report for each of the individual non-budgeted funds in the financial section of this report.

As previously discussed, the State Lottery Funds ended the year with a profit of \$975 million, with \$45 million transferred to the General Fund, \$10 million to fund various programs and \$920 million reimbursing the Commonwealth for unrestricted local aid to cities and towns appropriated in the FY14 General Appropriation Act.

Non-Budgeted Special Revenue Funds - Operations
(Amounts in thousands)

	2014	2013
Beginning fund balance.....	\$ 2,078,199	\$ 2,059,461
Revenues and other financing sources:		
Taxes.....	1,843,300	1,764,078
Assessments.....	616,906	558,172
Federal grants and reimbursements.....	3,190,513	3,227,276
Departmental and miscellaneous.....	6,202,948	6,159,857
Transfers and other financing sources.....	1,673,844	1,825,321
Total revenues and other financing sources.....	<u>13,527,511</u>	<u>13,534,704</u>
Expenditures and other financing uses:		
Programs and services.....	11,204,802	11,445,842
Debt service.....	241,522	233,856
Transfers and other financing uses.....	1,889,522	1,836,268
Total expenditures and other financing uses.....	<u>13,335,846</u>	<u>13,515,966</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	<u>191,665</u>	<u>18,738</u>
Ending fund balance.....	<u>\$ 2,269,864</u>	<u>\$ 2,078,199</u>

Non-Budgeted Funds with operating deficits in excess of \$10 million include:

- \$26 million – Medical Security Trust Fund;
- \$11 million – Child Support Enforcement Fund.

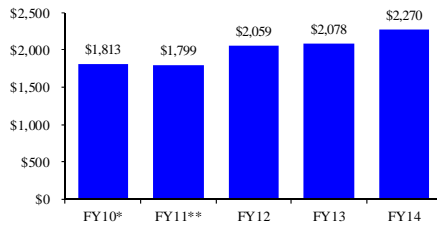
In FY14, \$171 million of the Commonwealth's federal transportation funds were dedicated to paying off prior year expenditures of the Central Artery/Tunnel Project (CA/T), which were temporarily financed through Federal Grant Anticipation Notes (GANs). In addition, \$15 million in interest payments for the GANs was funded by a General Fund appropriation.

For the twelve Universal Health Care funds, revenues and other financing sources were nearly \$2.105 billion in FY14, a decrease of approximately \$133 million from FY13. This decrease was due primarily to a decrease of \$116 million in the Delivery System Transformation Initiatives Trust Fund transfer and a \$117 million

decrease in transfers to the Commonwealth Care Trust Fund, which were offset by an increase in assessments of \$49 million as a result of state health care legislation.

The graph Non-Budgeted Funds - Fund Balance at left shows the combined fund balance in the Non-Budgeted funds for the past five years.

***Non-Budgeted Funds –
Fund Balance
(Amounts in millions)***



* FY10 balances were restated to include operations of three MassDOT funds as reported on MMARS

** FY11 balances were restated to reflect payments to bond escrow agents related to debt refunding transactions

Individual funds that represent 84.8% of total non-budgeted fund balances include:

- \$862 million – Massachusetts Transportation Trust Fund;
- \$385 million – Central Artery/Tunnel Project Repair and Maintenance Trust Fund;
- \$219 million – Grant Anticipation Note Trust Fund;
- \$105 million – Enhanced 911 Fund;
- \$103 million – Convention and Exhibition Center Fund;
- \$79 million – Health Safety Net Trust Fund;
- \$62 million – Federal Grants Fund;
- \$58 million – Distressed Hospital Trust Fund;
- \$52 million – Section 1202 Trust Fund.

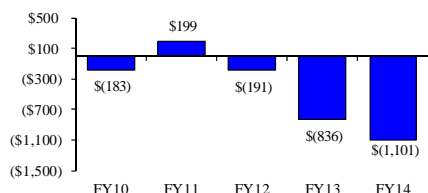
As noted in previous years' reports, the Government Land Bank Fund has a chronic structural fund deficit. The FY14 deficit balance of approximately \$35 million remains an unbudgeted drain on the Commonwealth's General Fund. While steps have been taken to stop the growth in this deficit, the Fund should be abolished and the deficit transferred to the General Fund. As explained in previous years' financial reports, more consolidation and elimination is needed for the non-budgeted special revenue funds generally.

The Capital Projects Funds

The purpose of these funds is to account for the construction or acquisition of capital assets. The Governor may propose capital outlay budgets, which, upon enactment by the Legislature and approval by the Governor, become capital outlay acts. Capital outlay acts financed through the sale of debt require a two-thirds vote of the Legislature. Numerous acts may be combined for reporting in an individual Capital Projects Fund, but each act is accounted for separately within the fund. These accounts record authorizations for expenditures in itemized capital appropriation accounts and equivalent authorizations to issue bonds or notes.

The structure of these funds is such that each capital outlay authorization is in balance, creating authorization for inflows (which may be from sales of bonds, federal reimbursements or other revenues)

**Capital Projects Funds –
Fund Balance (Deficit)
(Amounts in millions)***



*FY10 balances were restated to include operations of one MassDOT fund as reported on MMARS

and authorization for expenditures. Imbalances due to timing differences develop when the expenditure precedes the inflow of funds from the sale of bonds or federal reimbursements. Because of federal tax arbitrage rules, tax exempt bonds are not routinely sold in anticipation of expenditures.

To fund the FY14 capital budget, the Commonwealth borrowed by issuing \$2.160 billion in long-term bonds, \$1.492 billion of which was general obligation debt and \$668 million was special obligation debt secured by motor fuels taxes and motor vehicle license and registration fees. In addition, the Commonwealth issued \$637 million in debt to refund already existing obligations, taking advantage of continued low interest rates in FY14.

The graph Capital Projects Funds – Fund Balance (Deficit) at left shows the combined fund balance in Capital Projects Funds for the past five years. In some previous years, the combined ending balance in the Capital Projects Funds has been negative, as capital spending occurs prior to bonds being issued by the Commonwealth. At the end of FY14, the Capital Projects Funds had a \$1.101 billion deficit balance (including \$552 million in accounts payable), as at the end of the fiscal year the Commonwealth had not yet reimbursed itself for capital spending that it typically funds in arrears through subsequent bond issues. Most of this deficit was eliminated in August and September 2014 when the Commonwealth issued \$501 million and \$400 million, respectively, in General Obligation bonds.

The Capital Projects Funds – Operations table below includes the FY14 Capital Projects Funds, summarized and compared to FY13. Financial statements for each of the individual funds are included in the financial section of this report.

**Capital Projects Funds - Operations
(Amounts in thousands)**

	2014	2013
Beginning fund balance (deficit).....	\$ (836,052)	\$ (190,649)
Revenues and other financing sources:		
Federal grants and reimbursements.....	30,739	18,686
Departmental and miscellaneous.....	5,190	2,865
Proceeds of general and special obligation bonds.....	2,243,430	1,511,973
Proceeds of refunding bonds.....	721,716	230,539
Transfer for federal reimbursements.....	404,481	430,022
Transfers and other financing sources.....	62,105	38,619
Total revenues and other financing sources.....	3,467,661	2,232,704
Expenditures and other financing uses:		
Acquisition and maintenance of capital assets.....	2,906,865	2,565,077
Payments to advance refunding escrow agent/principal repayment.....	721,688	229,796
Transfers and other financing uses.....	104,253	83,234
Total expenditures and other financing uses.....	3,732,806	2,878,107
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(265,145)	(645,403)
Ending fund balance (deficit).....	\$ (1,101,197)	\$ (836,052)

The Administration continues to oversee a coordinated fiscal strategy for the management of Capital Projects Funds. This strategy includes a five year capital budget linked to debt management and capital management. The focus of this strategy is to manage capital spending within outstanding debt levels the Administration considers appropriate for the Commonwealth. An important part of the strategy is to control capital spending within an administrative “cap.”

During FY14, significant capital spending included:

- \$491 million in bridge repair projects under the Commonwealth’s Accelerated Bridge Program;
- \$189 million in Chapter 90 municipal road and bridge projects;
- \$179 million invested in new academic buildings and improvements to existing facilities on several community college, state university and University of Massachusetts campuses. The Commonwealth’s spending leveraged an additional \$14 million in university investments in FY14;
- \$61 million spent on life sciences grants;
- \$36 million for open-space land protection;
- \$9 million spent for the Broadband Initiative, which invests capital funds to promote broadband expansion to unserved and underserved areas of Massachusetts.

During the fiscal year, the Commonwealth passed or agreed to terms to over approximately \$14.817 billion in bond authorizations. There were approximately \$8 million in de-authorizations of previously issued capital appropriations in FY14.

The Non-Appropriated Funds of Higher Education

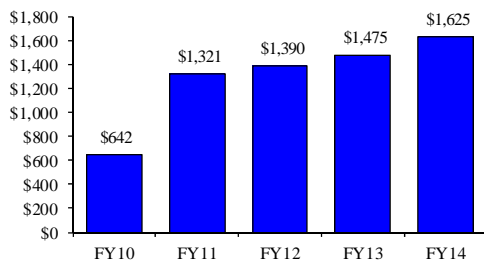
The statistical section of this SBFR includes data on the financial operations of the non-appropriated funds of the 25 institutions of higher education as reported on MMARS. Each institution of higher education is authorized and directed in its enabling statute to collect, retain and expend certain fees, rents, sales, donations, federal financial participation and other types of revenue through campus-based systems. These financial resources are integral parts of the total financial activity of each campus. They also represent resources in addition to amounts made available from Commonwealth appropriations. Over the past few years, significant efforts have been made by our office and the institutions to improve the accuracy and timeliness of higher education reporting through the issuance of audited financial statements. As budgeted resources are constrained, the Comptroller’s Office

recommends that the requirement for MMARS reporting by the institutions of higher education be eliminated and that interested parties rely entirely on the institutions' audited financial statements.

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

	2014	2013
Beginning fund balance.....	\$ 1,474,511	\$ 1,390,239
Revenues and other financing sources:		
Federal grants and reimbursements.....	626,331	609,993
Departmental revenues.....	1,967,705	1,977,642
Transfers and other financing sources.....	1,795,000	1,744,500
Total revenues and other financing sources.....	4,389,036	4,332,135
Expenditures and other financing uses:		
Programs and services.....	4,238,275	4,247,863
Excess/(deficiency) of revenues and other financing sources over expenditures and other financing uses.....	150,761	84,272
Ending fund balance.....	\$ 1,625,272	\$ 1,474,511

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

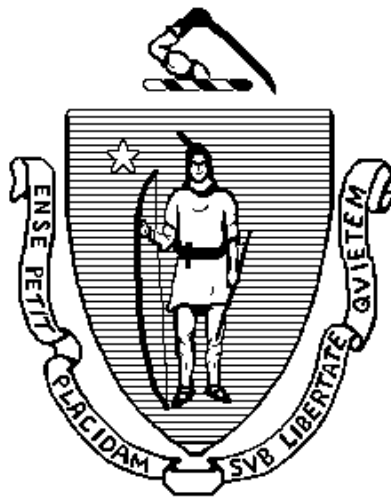


The Non-Appropriated Funds of Higher Education – Operations table above includes the FY14 activity in Higher Education funds, summarized and compared to FY13. Financial statements for each of the individual funds are included in the statistical section of this report. The graph Non-Appropriated Funds of Higher Education – Fund Balance shows the combined fund balance for the past five years. The combined balance represents an approximate \$895 million fund balance for the University of Massachusetts, an approximate \$442 million fund balance for the State University (formerly the State College) system and an approximate \$288 million fund balance for the Community Colleges.

As we close the books for FY14, I again would like to express my thanks to the many dedicated employees within the Office of the Comptroller. I am proud to have all the employees of the Comptroller's Office on my team to help tackle these and other difficult issues as we prepare for the year ahead.

Respectfully submitted,

Martin J. Benison
Comptroller of the Commonwealth



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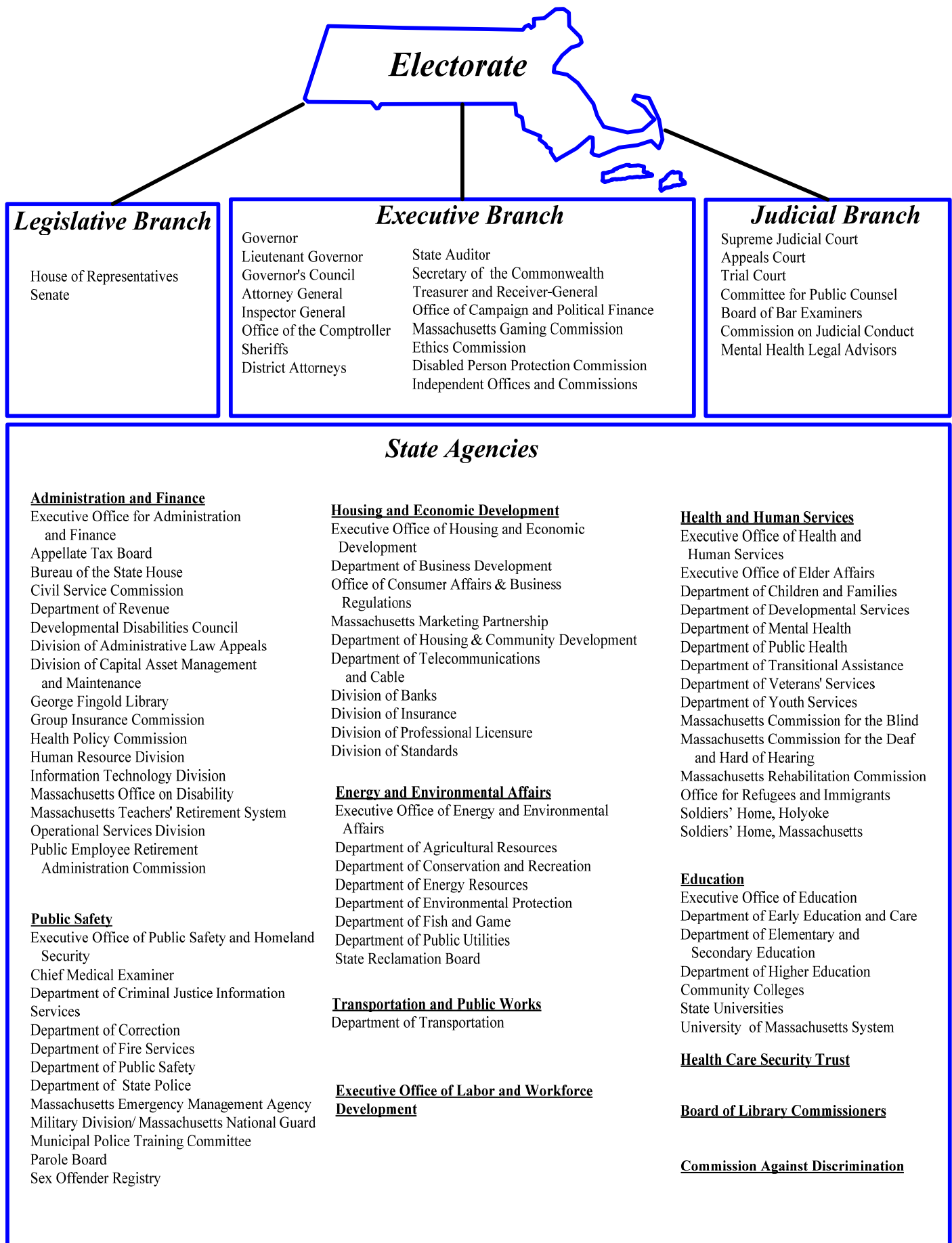
Robert A. DeLeo
Speaker of the House

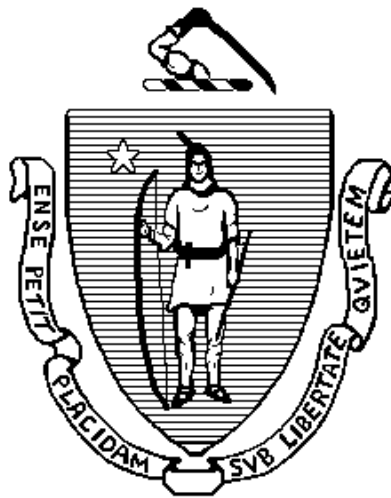
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REPORT PREPARED BY:

Howard Merkowitz
Deputy Comptroller

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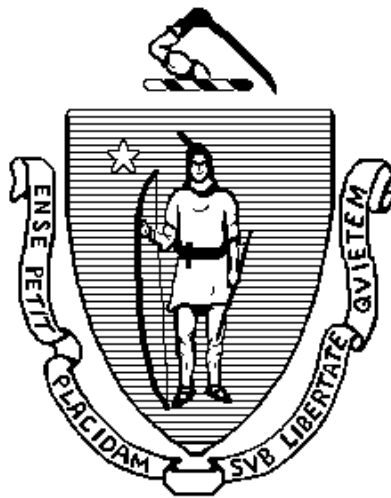
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Art Direction
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Financial Section



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



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

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, 2014, as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the combined financial statements – statutory basis as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the combined financial statements – statutory basis in accordance with Massachusetts General Laws and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the combined financial statements – statutory basis.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the combined financial statements – statutory basis. We believe that the results of our procedures provide a reasonable basis for our report.

As described in notes 1 and 2, these combined financial statements – statutory basis were prepared on 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 statutory basis of accounting described in notes 1 and 2.

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the combined financial statements – statutory basis in order for them to be in conformity with the basis of accounting described in notes 1 and 2. The introductory section, combining and individual fund financial statements – statutory basis, supplemental information, and statistical section listed in the foregoing table of contents, prepared in conformity with the basis of accounting described in notes 1 and 2, are presented for purposes of additional analysis and is not a required part of the combined financial statements – statutory basis. 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 did not become 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 have been 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, 2014

Combined Financial Statements - Statutory Basis

Budgeted Funds
Combined Balance Sheet - Statutory Basis

June 30, 2014
(Amounts in thousands)

	Totals (Memorandum only)	
	2014	2013
ASSETS		
Cash and short-term investments.....	\$ 1,453,766	\$ 2,135,842
Cash with fiscal agent.....	14,384	13,932
Investments.....	261,837	258,347
Receivables, net of allowance for uncollectibles:		
Due from federal government.....	708,833	586,074
Other receivables.....	11,022	61,119
Due from cities and towns.....	5,020	9,088
Total assets.....	<u>\$ 2,454,862</u>	<u>\$ 3,064,402</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 7,182	\$ 44,867
Accounts payable.....	820,803	979,276
Accrued payroll.....	176,335	165,902
Total liabilities.....	<u>1,004,320</u>	<u>1,190,045</u>
Fund equity:		
Combined fund balance:		
Reserved for:		
Continuing appropriations.....	175,648	283,189
Commonwealth Stabilization.....	1,248,435	1,556,657
Debt service.....	14,384	13,932
Unreserved:		
Undesignated.....	12,075	20,579
Total fund equity.....	<u>1,450,542</u>	<u>1,874,357</u>
Total liabilities fund equity.....	<u>\$ 2,454,862</u>	<u>\$ 3,064,402</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, 2014
(Amounts in thousands)

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES AND OTHER FINANCING SOURCES			
Revenues:			
Taxes.....	\$ 21,342,000	\$ 21,822,030	\$ 480,030
Assessments.....	481,094	462,209	(18,885)
Federal grants and reimbursements.....	8,783,190	8,372,145	(411,045)
Tobacco settlement revenue.....	253,628	282,049	28,421
Departmental.....	2,601,444	3,043,132	441,688
Miscellaneous.....	257,982	264,697	6,715
Total revenues.....	33,719,338	34,246,262	526,924
Other financing sources:			
Fringe benefit cost recovery.....	294,051	310,559	16,508
Lottery reimbursements.....	91,216	95,891	4,675
Lottery distributions.....	946,917	921,730	(25,187)
Operating transfers in.....	332,961	256,395	(76,566)
Stabilization transfer.....	508,000	1,231,336	723,336
Other fund deficit support.....	-	167,972	167,972
Total other financing sources.....	2,173,145	2,983,883	810,738
Total revenues and other financing sources.....	35,892,483	37,230,145	1,337,662
EXPENDITURES AND OTHER FINANCING USES			
Expenditures:			
Legislature.....	74,274	56,299	17,975
Judiciary.....	822,826	814,129	8,697
Inspector General.....	6,251	6,162	89
Governor and Lieutenant Governor.....	9,355	5,161	4,194
Secretary of the Commonwealth.....	44,932	44,339	593
Treasurer and Receiver-General.....	236,874	203,358	33,516
Auditor of the Commonwealth.....	17,624	17,536	88
Attorney General.....	44,678	43,028	1,650
Ethics Commission.....	1,922	1,904	18
District Attorney.....	106,090	105,962	128
Office of Campaign & Political Finance.....	1,408	1,370	38
Sheriff's Departments.....	567,569	552,978	14,591
Disabled Persons Protection Commission.....	2,413	2,412	1
Board of Library Commissioners.....	22,241	22,184	57
Comptroller.....	13,249	12,811	438
Administration and Finance.....	2,240,249	2,128,851	111,398
Energy and Environmental Affairs.....	224,790	216,418	8,372
Health and Human Services.....	5,216,338	5,070,536	145,802
Massachusetts Department of Transportation.....	275,305	275,200	105
Executive Office of Education.....	2,152,013	2,116,430	35,583
Center for Health Information and Analysis.....	32,193	23,706	8,487
Public Safety and Homeland Security.....	1,088,751	1,058,775	29,976
Housing and Economic Development.....	587,889	534,725	53,164
Labor and Workforce Development.....	73,724	43,437	30,287
Direct local aid.....	5,294,063	5,292,467	1,596
Medicaid.....	12,116,397	11,900,776	215,621
Post employment benefits.....	2,050,361	2,050,361	-
Debt service:			
Principal retirement.....	1,286,724	1,247,974	38,750
Interest and fiscal charges.....	906,686	885,454	21,232
Total expenditures.....	35,517,189	34,734,743	782,446
Other financing uses:			
Fringe benefit cost assessment.....	2,295	8,291	(5,996)
Operating transfers out.....	521,001	594,826	(73,825)
State Retiree Benefits transfer.....	-	58,683	(58,683)
State Pension transfer.....	-	2,273	(2,273)
Stabilization transfer.....	401,700	1,231,336	(829,636)
Commonwealth care trust transfer.....	340,079	390,079	(50,000)
Medical assistance transfer.....	620,025	395,025	225,000
Delivery system transformation initiatives trust transfer.....	93,449	70,732	22,717
Other fund deficit support.....	-	167,972	(167,972)
Total other financing uses.....	1,978,549	2,919,217	(940,668)
Total expenditures and other financing uses.....	37,495,738	37,653,960	(158,222)
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	(1,603,255)	(423,815)	1,179,440
Fund balance (deficit) at beginning of year.....	1,874,357	1,874,357	-
Fund balance (deficit) at end of year.....	\$ 271,102	\$ 1,450,542	\$ 1,179,440

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, 2014

(Amounts in thousands)

			Totals (Memorandum only)	
	Non-Budgeted Special Revenue	Capital Projects	2014	2013
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes.....	\$ 1,843,300	\$ -	\$ 1,843,300	\$ 1,764,078
Assessments.....	616,906	-	616,906	558,172
Federal grants and reimbursements.....	3,190,513	30,739	3,221,252	3,245,962
Departmental.....	6,070,007	3,480	6,073,487	6,032,231
Miscellaneous.....	132,941	1,710	134,651	130,491
Total revenues.....	11,853,667	35,929	11,889,596	11,730,934
Other financing sources:				
Issuance of general obligation bonds	-	1,492,049	1,492,049	1,470,474
Bond premiums (discounts) on general obligation bonds.....	-	47,378	47,378	42,241
Issuance of special obligation bonds	-	667,850	667,850	-
Bond premiums (discounts) on special obligation bonds.....	19,014	36,153	55,167	-
Issuance of current refunding bonds.....	-	159,335	159,335	230,539
Bond premiums (discounts) on current refunding bonds.....	-	-	-	(742)
Issuance of advance refunding bonds.....	-	477,461	477,461	-
Bond premiums (discounts) on advance refunding bonds.....	-	84,920	84,920	-
Operating transfers in.....	768,994	-	768,994	556,275
Commonwealth care trust transfer.....	390,079	-	390,079	661,249
Health safety net trust transfer.....	30,000	-	30,000	30,000
Medical assistance transfer.....	395,025	-	395,025	390,889
Federal reimbursement transfer in.....	-	404,481	404,481	430,022
State share of federal highway construction.....	-	62,105	62,105	38,619
Delivery system transformation initiatives trust transfer	70,732	-	70,732	186,908
Total other financing sources.....	1,673,844	3,431,732	5,105,576	4,036,474
Total revenues and other financing sources.....	13,527,511	3,467,661	16,995,172	15,767,408
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Judiciary.....	1,215	15,262	16,477	10,971
Inspector General.....	256	-	256	101
Governor and Lieutenant Governor.....	103	121	224	103
Secretary of the Commonwealth.....	6,762	1,530	8,292	6,234
Treasurer and Receiver-General.....	5,709,502	15,151	5,724,653	5,674,546
Auditor of the Commonwealth.....	-	1,089	1,089	988
Attorney General.....	10,162	247	10,409	9,564
District Attorney.....	2,174	-	2,174	2,560
Sheriff's Departments.....	10,875	6,633	17,508	14,144
Board of Library Commissioners.....	2,939	19,999	22,938	19,466
Massachusetts Gaming Commission.....	22,125	-	22,125	13,336
Comptroller.....	3,027	2,429	5,456	2,389
Administration and Finance.....	917,518	595,179	1,512,697	1,609,871
Energy and Environmental Affairs.....	136,285	208,415	344,700	286,500
Health and Human Services.....	1,564,135	42,061	1,606,196	1,756,162
Massachusetts Department of Transportation.....	945,375	1,693,117	2,638,492	2,279,391
Executive Office of Education.....	991,478	22,147	1,013,625	988,381
Center for Health Information and Analysis.....	1,269	-	1,269	-
Public Safety and Homeland Security.....	208,647	45,340	253,987	321,504
Housing and Economic Development.....	478,153	237,887	716,040	753,228
Labor and Workforce Development.....	192,802	258	193,060	261,480
Debt service:				
Principal retirement.....	186,537	-	186,537	167,340
Interest and fiscal charges.....	54,985	-	54,985	66,516
Total expenditures.....	11,446,324	2,906,865	14,353,189	14,244,775
Other financing uses:				
Payments to advance refunding bonds escrow.....	-	562,353	562,353	-
Principal on current refundings.....	-	159,335	159,335	229,796
Fringe benefit cost assessment.....	115,536	42,148	157,684	149,414
Lottery operating reimbursements.....	95,891	-	95,891	93,517
Lottery distributions.....	921,730	-	921,730	949,428
Operating transfers out.....	321,884	-	321,884	228,502
Commonwealth care trust transfer.....	-	-	-	-
Health safety net trust transfer.....	30,000	-	30,000	30,000
Federal reimbursement transfer out.....	404,481	-	404,481	430,022
State share of federal highway construction.....	-	62,105	62,105	38,619
Total other financing uses.....	1,889,522	825,941	2,715,463	2,149,298
Total expenditures and other financing uses.....	13,335,846	3,732,806	17,068,652	16,394,073
Excess (deficiency) of revenues and other financing sources				
over / (under) expenditures and other financing uses.....	191,665	(265,145)	(73,480)	(626,665)
Fund balance (deficit) at beginning of year (restated).....	2,078,199	(836,052)	1,242,147	1,868,812
Fund balance (deficit) at end of year.....	\$ 2,269,864	\$ (1,101,197)	\$ 1,168,667	\$ 1,242,147

See accompanying notes to financial statements and accountants' review report

1. FINANCIAL STATEMENT PRESENTATION	30
A. <i>INTRODUCTION</i>	30
B. <i>GOVERNMENTAL FUND TYPES</i>	30
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	30
A. <i>STATUTORY BASIS OF ACCOUNTING</i>	30
B. <i>CASH, SHORT-TERM INVESTMENTS AND INVESTMENTS</i>	31
C. <i>DEDICATED REVENUE AND PLEDGES</i>	31
D. <i>INTERFUND/INTRAFUND TRANSACTIONS</i>	32
E. <i>CURRENT EMPLOYEE BENEFITS</i>	32
F. <i>FRINGE BENEFIT COST RECOVERY</i>	32
G. <i>LOTTERY REVENUE AND PRIZES</i>	33
H. <i>RECEIVABLES</i>	33
I. <i>DUE FROM CITIES AND TOWNS</i>	33
J. <i>RISK MANAGEMENT</i>	33
K. <i>ENCUMBRANCES</i>	33
L. <i>FUND BALANCES</i>	33
M. <i>TOTAL COLUMN – MEMORANDUM ONLY</i>	34
N. <i>ESTIMATES</i>	34
O. <i>RECLASSIFICATION</i>	34
3. BUDGETARY CONTROL	34
4. MASSACHUSETTS DEPARTMENT OF TRANSPORTATION (MassDOT)	36
5. INDIVIDUAL FUND DEFICITS	36
6. MEDICAID COSTS	36

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 Generally Accepted Accounting Principles (GAAP) in the United States of America for governments.

The Statutory Basis Financial Report (SBFR) includes 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 SBFR'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. 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 Funds, which are identified by the Comptroller as the operating funds of the Commonwealth. In addition, there are ten smaller budgeted funds, the Intragovernmental Services Fund, the Inland Fisheries and Game Fund, the Marine Recreational Fisheries Development Fund, the Public Safety Training Fund, the Children and Families Protection Fund, the Massachusetts Tourism Fund, the Local Capital Projects Fund, the Local Aid Stabilization Fund, the Manufacturing Fund and the Community College Fund.

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

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, primarily through future bond sales.

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 generally are recognized when cash deposits are received by the Treasury. However, revenues receivable for federal grants and reimbursements generally 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 by the Commonwealth on their behalf, for 3(8)C pension payments.

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, and payment made by August 31. 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 cash and cash equivalents. 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 and, when so directed by law, to certain other Governmental 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 Portfolio and a Short Term Bond Fund. The Cash Portfolio is a money-market-like investment pool; its investments are carried at amortized cost, which approximates fair value. The Short Term Bond Fund investments are carried at fair value.

Investors in MMDT are not allowed to overdraw their shares. For a complete copy of MMDT's separately issued financial statements, please contact the Office of the State Treasurer's Cash Management Department, at (617) 367-9333. The statements can be downloaded from the Cash Management section of the Office of the State Treasurer's website at www.mass.gov/treasury. General Law Chapter 29, Section 38 enumerates the Commonwealth's investment policy for non-pension assets.

C. DEDICATED REVENUE AND PLEDGES

The Commonwealth has a number of bond programs in which bonds are secured by a pledge of dedicated revenues provided to bondholders, pursuant to trust agreements, as well as pledges of revenue for general operations. Like the Commonwealth, certain state authorities have also issued special obligation bonds secured by specific Commonwealth revenues. These other authorities' debts are not included in the SBFR, but are included in the CAFR.

All federal government reimbursements for the Commonwealth's highway spending are dedicated to the repayment of federal grant anticipation notes (GANs) issued in fiscal 1998, 1999, 2001, 2011, 2014 and refunding notes in FY03 and FY11. During FY14, the Commonwealth issued approximately \$253 million in GANs for new-money needs under the Commonwealth's Accelerated Bridge Program. All GANs issued prior to 2010 are scheduled to be repaid and retired by FY15. The Commonwealth will begin repayment of principal of the new-money notes issued in 2010 and 2014 beginning in FY16, after the original and refunded federal grant anticipation notes have been paid in full. As of June 30, 2014, total principal remaining to be paid on outstanding GANs is approximately \$531 million, with maturities ranging from FY15 through FY27. Principal paid during FY14 was approximately \$178 million and came from federal reimbursements. Interest paid in FY14 was funded by the Commonwealth.

In FY14, the Commonwealth issued approximately \$424 million in special obligation bonds for highway construction purposes under the Commonwealth's Accelerated Bridge Program (ABP). The FY14 and previously issued bonds mature from FY15 to FY43 and are secured by a senior lien on 14.1085 cents of the total 21 cents per gallon gasoline tax, the full 21 cents per gallon of special fuels taxes (comprised primarily of taxes on diesel fuel), the full 19.1% of the average price per gallon tax on liquefied natural gas, and all Registry of Motor Vehicle fees deposited in the Commonwealth Transportation Fund. The bonds also have a subordinate lien on 6.86 cents of the 21 cents per gallon gasoline tax not included in the senior lien. As of June 30, 2014, approximately \$1.401 billion in principal was outstanding on the ABP bonds and approximately \$1.125 billion of interest was expected to be paid through maturity. The ABP projected interest costs are net of federal subsidies under the Build America Bond (BABs) program. BABs is a temporary program under which the Commonwealth and other state and local governments issued taxable bonds in calendar 2009 and 2010 in return for a subsidy from the federal government equal to 35% to 45% (depending on whether the proceeds are used for projects in economically distressed areas) of the interest costs on the bonds.

Other special obligation bonds for highway construction purposes are secured by a pledge of 6.86 cents of the 21 cent per gallon gasoline tax, with no new debt issued during FY14. As of June 30 2014, bonds secured by these pledged funds totaled approximately \$250 million in principal and approximately \$54 million in interest. These bonds mature from FY15 to FY22 and were issued in various series. Principal and interest paid during FY14 amounted to approximately \$38 million and \$15 million, respectively. The lien on these bonds has been closed, meaning that no new additional new-money bonds can be issued against these revenues under this trust agreement.

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). The MBTA receives sales tax revenues equal to 1% of applicable sales, subject to an annual floor set in statute. In FY14, total dedicated sales tax revenue that was directed to the MBTA was approximately \$799 million, \$72 million more than would have been the case were the dedicated revenue equal to 1% of applicable sales. As a result, in FY14 the MBTA received from the Commonwealth sales tax revenues effectively equal to 1.10% of applicable sales, and is expected to receive approximately this percentage of applicable sales for the foreseeable future. Dedicated revenues to the MBTA increase by the lesser of the annual increase in the Boston consumer price index or prior calendar year annual sales taxes, with a floor of 0% and a ceiling of 3.0%.

The MSBA also receives a pledge of sales tax that, starting in FY11, increased to 1.0% of applicable sales in the Commonwealth but with no annual floor or ceiling. In FY14, approximately \$728 million of the dedicated sales tax revenue stream was directed to the MSBA.

The Commonwealth has also pledged sales tax revenue and rooms tax surcharges from areas contiguous to convention centers and the Worcester DCU Arena and Convention Center to support such centers' operations. As of June 30, 2014, taxes within the Convention Center districts support approximately \$639 million of outstanding principal and approximately \$423 million of interest on debts related to these Convention Centers. Taxes collected in FY14 were approximately \$108 million, while debt service on the bonds was approximately \$35 million.

The Transportation Modernization Act of 2009, as amended, eliminated the pledges of sales tax revenue to MassDOT through the Commonwealth Transportation Fund (CTF). Beginning in FY14, the motor vehicle sales tax collections were shifted from the general fund to the CTF while also eliminating the 0.385% pledge of regular and meals sales tax. During FY14, approximately \$501 million in sales tax revenue was transferred to MassDOT. From the Commonwealth Transportation Fund, \$275 million was dedicated to funding the operations of the MBTA while an additional \$68 million was dedicated to funding the operations of the regional transit authorities. These amounts are transferred through the CTF.

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 \$13 million due to 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 \$314 million into

the General Fund results from cost assessments of approximately \$166 million from the other budgeted funds, non-budgeted special revenue funds and capital funds. The remainder of approximately \$148 million was assessed to the non-appropriated activities of higher education, expendable trust and agency funds.

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

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 has 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 fiscal year.

"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.

The remainder of fund balance is unreserved and undesignated and consists 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 these 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, 2013, from which the summarized information was derived.

N. ESTIMATES

The preparation of the SBFR 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 amounts for FY13 were reclassified to conform to current year presentation.

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 that 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.

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, of Chapter 29, directing the Governor to notify the Legislature in writing as to the reasons for and the effect of any reductions in spending. This proposal must be delivered to the Legislature 15 days before any reductions take effect. Alternatively, funds from the Stabilization Fund may be used to cure the deficiency.

The following table summarizes budgetary activity for FY14 (amounts in thousands):

	Revenues	Expenditures
General Appropriation Act, Chapter 38 of the Acts of 2013:		
Direct appropriations.....	\$ 33,858,500	\$ 33,526,507
Estimated revenues, transfers, retained revenue appropriations, and appropriations carried forward from FY2013.....	-	1,239,494
Total original budget.....	33,858,500	34,766,001
Supplemental Acts of 2013:		
Chapter 118.....	-	175,521
Supplemental Acts of 2014:		
Chapter 52.....	-	258,911
Chapter 62.....	-	450
Chapter 70.....	-	600
Chapter 119.....	-	144,679
Chapter 295.....	-	1,853
Chapter 359.....	-	38,000
Total budgeted revenues and expenditures per Legislative action.....	-	620,014
Plus: Pension contributions and revenue authorized outside of General Appropriation Act, and other transfers of revenue and spending.....	2,033,983	2,109,723
Budgeted revenues and expenditures as reported.....	\$ 35,892,483	\$ 37,495,738

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.....	\$37,230,145	\$37,653,960
Adjustments to revenues and expenditures		
Transfer of revenues to the Intragovernmental Service Fund.....	(339,715)	(339,715)
Adjustments to other financing sources and uses:		
Fringe benefit cost assessments.....	(8,291)	(8,291)
Transfer of expenditures from the Intragovernmental Service Fund to the General Fund.....	(3,478)	(3,478)
RMV license plates.....	(3,011)	(3,011)
Transfers from the General Fund to the Stabilization Fund.....	(459,767)	(459,767)
Transfers from the Stabilization Fund to the General Fund.....	(771,569)	(771,569)
Transfers from Budgeted Funds to the General Fund.....	(3,010)	(3,010)
Other fund deficit support.....	(167,972)	(167,972)
Other.....	(177)	(177)
Actual as presented on budgetary documents.....	\$35,473,155	\$35,896,970

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, the 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)

MassDOT is an entity legally separate from the Commonwealth. MassDOT operations are reported separately in the non-budgeted special revenue funds section of this report, which includes all of the Commonwealth's highway and turnpike-related operations as well as the activity of the Registry of Motor Vehicles. MassDOT capital spending and revenue activity are reported in the capital funds section of this report, in the Central Artery Statewide Road and Bridge Infrastructure Fund, the Highway Capital Projects Fund and the Federal Highway Construction Program Fund.

MassDOT financial activity is included in this report in order to reflect all activity reported on the Commonwealth's MMARS accounting system. For the SBFR, MassDOT is treated as an agency or department of the Commonwealth, as specified in Massachusetts General Laws. However, for GAAP reporting purposes, as reflected in the Commonwealth's CAFR, MassDOT will be included as a discretely presented component unit of the Commonwealth.

5. INDIVIDUAL FUND DEFICITS

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, 2014, as follows (amounts in thousands) (excludes MassDOT):

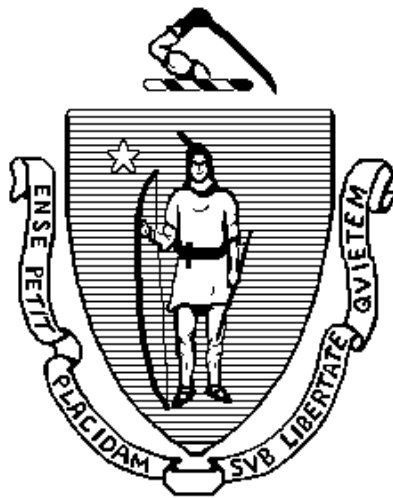
Budgeted Special Revenue:	
Local Aid Stabilization Fund.....	\$ (8,325)
Non-Budgeted Special Revenue:	
Other:	
Government Land Bank Fund.....	(35,033)
Capital Projects:	
General Capital Projects Fund.....	(740,140)
Highway Capital Projects Fund.....	(425,088)
Government Land Bank Capital Projects Fund.....	(129)
Local Aid Capital Projects Fund.....	(36)
Total Capital Projects Funds.....	(1,165,393)
Total.....	\$ (1,208,751)

None of the funds detailed above were in deficit due to finance-related contractual provisions and all were allowed to be in deficit by General Law.

6. MEDICAID COSTS

Approximately 39.4% of the Commonwealth's budgeted fund spending for programs and services 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, 2014, the General Fund includes approximately \$11.901 billion in expenditures for Medicaid claims. The combined financial statements – statutory basis include Medicaid claims processed but unpaid at June 30, 2014 of approximately \$23 million as accounts payable.

Combining and Individual Fund Financial Statements - Statutory Basis



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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 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 revenues from motor fuels taxes and all fees and fines received by the Registry of Motor Vehicles relating to the use and operation of motor vehicles and trailers. Spending is for debt service on general and special obligation debt formerly paid from 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 subfund of the Highway Fund.

The Commonwealth Stabilization Fund – to account for amounts calculated in accordance with state finance law and to maintain a reserve to enhance the Commonwealth's fiscal stability. Tax revenues from certain lottery winners selling their stream of future winnings in exchange for current payments are recorded in this fund, as are fiscal year capital gains tax revenues exceeding \$1 billion (adjusted annually for economic growth) and individual judgments and settlements of more than \$10 million.

ADMINISTRATIVE CONTROL FUND:

This fund accounts for the revenues generated by certain administrative functions of government, for which the Legislature has required a separate fund be established.

Intragovernmental Service Fund – to account for the charges of any state agency for services provided by another state agency.

BUDGETED ENVIRONMENTAL FUNDS:

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.

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

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.

Public Safety Training Fund – to account for all revenues collected from the surcharge imposed by Section 12 of Chapter 89 and the seventh paragraph of Section 20 of Chapter 90 of the General Laws. The fund shall be used for the instruction of public safety personnel including, but not limited to, the recruitment of additional state police classes and for the municipal police training committee, under Section 116 of Chapter 6 of the General Laws, as necessary, to preserve and promote the public safety. The fund shall not be subject to Section 5C of Chapter 29 of the General Laws.

Children and Families Protection Fund – to account for any penalties collected for violations of the Massachusetts Pesticide Control Act under Chapter 132B, Sections 6C to 6I of the General Laws, inclusive, and any income derived from the investment of amounts credited to the fund. Amounts credited to the fund shall be used, subject to appropriation, for the implementation and enforcement of said Sections 6C to 6I.

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.

Local Capital Projects Fund – to account for funds transferred from the Gaming Revenue Fund established in Section 59 of Chapter 23K of the General Laws and any monies credited to or transferred to the fund from any other fund or source.

Local Aid Stabilization Fund – to account for gaming tax revenues transferred under Section 59 of Chapter 23K of

the General Laws, all other monies credited or transferred to it from any other fund or source and proceeds from the investment of such funds. Monies shall be distributed to cities and towns as a supplement to other sources of local aid distributions, but shall not be subject to Section 5C of Chapter 29 of the General Laws.

Manufacturing Fund – to account for gaming license fees transferred in accordance with Section 93 of Chapter 194 of the Acts of 2011 and any monies credited or transferred to the fund from any other fund or source.

Community College Fund – to account for gaming license fees transferred in accordance with Section 93 of Chapter 194 of the Acts of 2011 and any monies credited or transferred to the fund from any other fund or source.

The following funds have been enacted in legislation but had no activity in FY14 and are not presented in this report:

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.

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. Revenues over \$250,000 in a fiscal year shall be credited to the General Fund.

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.

Gaming Local Aid Fund – to account for gaming tax revenues transferred under Section 59 of Chapter 23K of the General Laws and all monies credited or transferred to the fund from any other fund or source. Monies from the fund shall be used in addition to the balance of the State Lottery Fund for distribution to cities and towns in accordance with Section 35 of Chapter 10 of the General

Laws and any monies so distributed shall be considered part of general revenue sharing aid for purposes of annual aid and contribution requirements established pursuant to Chapter 70 of the General Laws or Section 3 of the FY2011 General Appropriation Act.

Education Fund – to account for gaming tax revenues transferred under Section 59 of Chapter 23K of the General Laws and all monies credited to or transferred to the fund from any other fund or source. 35% of the funds received shall be appropriated for the purposes of both K-12 and higher education to supplement, not offset, any reduction in the General Appropriation Act from the previous fiscal year.

Gaming Economic Development Fund – to account for gaming tax revenues transferred from the Gaming Revenue Fund established in Section 59 of Chapter 23K of the General Laws. Expenditures from the fund shall be used to support economic development and job growth including, but not limited to: (1) workforce training, including transfers to the Workforce Competitiveness Trust Fund; (2) tourism promotion, including regional tourism promotion agencies and cultural and recreational attraction promotion; (3) summer jobs; (4) the Massachusetts marketing partnership; (5) higher education scholarships; (6) regional economic development initiatives; (7) support for small businesses, including small business lending; (8) green jobs promotion; (9) science, technology, engineering and mathematics career pipeline initiatives; and (10) agricultural development programs, including youth agricultural education.

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. This fund was repealed effective January 1, 2013.

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. In November 2010, the sales tax on alcoholic beverages was repealed via referendum, effective January 1, 2011. As of that date, no monthly sales tax revenue has been deposited in the Substance Abuse Fund.



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Budgeted Funds
Combining Balance Sheet - Statutory Basis

June 30, 2014
(Amounts in thousands)

				Administrative Control
	General	Commonwealth Transportation	Commonwealth Stabilization	Intragovernmental Service
ASSETS				
Cash and short-term investments.....	\$ 379,763	\$ 608	\$ 986,598	\$ 41,709
Cash with fiscal agent.....	-	14,384	-	-
Investments.....	-	-	261,837	-
Receivables, net of allowance for uncollectibles:				
Due from federal government.....	708,833	-	-	-
Other receivables.....	11,022	-	-	-
Due from cities and towns.....	5,020	-	-	-
Total assets.....	<u>\$ 1,104,638</u>	<u>\$ 14,992</u>	<u>\$ 1,248,435</u>	<u>\$ 41,709</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Deficiency in cash and short-term investments.....	\$ -	\$ -	\$ -	\$ -
Accounts payable.....	789,552	608	-	27,296
Accrued payroll.....	170,957	-	-	4,184
Total liabilities.....	<u>960,509</u>	<u>608</u>	<u>-</u>	<u>31,480</u>
Fund balance (deficit):				
Reserved for:				
Continuing appropriations.....	144,129	-	-	10,229
Commonwealth Stabilization.....	-	-	1,248,435	-
Debt service.....	-	14,384	-	-
Unreserved:				
Undesignated.....	-	-	-	-
Total fund equity (deficit).....	<u>144,129</u>	<u>14,384</u>	<u>1,248,435</u>	<u>10,229</u>
Total liabilities and fund equity.....	<u>\$ 1,104,638</u>	<u>\$ 14,992</u>	<u>\$ 1,248,435</u>	<u>\$ 41,709</u>

See accountants' review report

Environmental		Budgeted Other			
Inland Fisheries and Game	Marine Recreational Fisheries Development	Public Safety Training	Children & Families Protection	Massachusetts Tourism	Local Capital Projects
\$ 18,548	\$ 2,538	\$ 568	\$ -	\$ 1,376	\$ 21,250
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 18,548</u>	<u>\$ 2,538</u>	<u>\$ 568</u>	<u>\$ -</u>	<u>\$ 1,376</u>	<u>\$ 21,250</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
772	123	-	-	1,279	-
343	16	-	-	77	-
<u>1,115</u>	<u>139</u>	<u>-</u>	<u>-</u>	<u>1,356</u>	<u>-</u>
-	-	-	-	20	21,250
-	-	-	-	-	-
-	-	-	-	-	-
17,433	2,399	568	-	-	-
<u>17,433</u>	<u>2,399</u>	<u>568</u>	<u>-</u>	<u>20</u>	<u>21,250</u>
<u>\$ 18,548</u>	<u>\$ 2,538</u>	<u>\$ 568</u>	<u>\$ -</u>	<u>\$ 1,376</u>	<u>\$ 21,250</u>

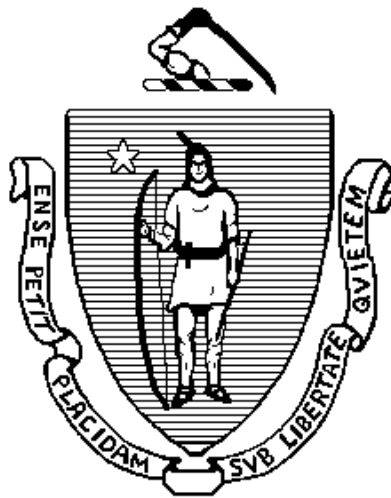
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Budgeted Funds
Combining Balance Sheet - Statutory Basis

June 30, 2014
(Amounts in thousands)

	Budgeted Other			Totals (Memorandum only)	
	Local Aid Stabilization	Manufacturing	Community College	2014	2013
ASSETS					
Cash and short-term investments.....	\$ -	\$ 30	\$ 778	\$ 1,453,766	\$ 2,135,842
Cash with fiscal agent.....	-	-	-	14,384	13,932
Investments.....	-	-	-	261,837	258,347
Receivables, net of allowance for uncollectibles:					
Due from federal government.....	-	-	-	708,833	586,074
Other receivables.....	-	-	-	11,022	61,119
Due from cities and towns.....	-	-	-	5,020	9,088
Total assets.....	<u>\$ -</u>	<u>\$ 30</u>	<u>\$ 778</u>	<u>\$ 2,454,862</u>	<u>\$ 3,064,402</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Deficiency in cash and short-term investments.....	\$ 7,182	\$ -	\$ -	\$ 7,182	\$ 44,867
Accounts payable.....	1,143	30	-	820,803	979,276
Accrued payroll.....	-	-	758	176,335	165,902
Total liabilities.....	<u>8,325</u>	<u>30</u>	<u>758</u>	<u>1,004,320</u>	<u>1,190,045</u>
Fund balance (deficit):					
Reserved for:					
Continuing appropriations.....	-	-	20	175,648	283,189
Commonwealth Stabilization.....	-	-	-	1,248,435	1,556,657
Debt service.....	-	-	-	14,384	13,932
Unreserved:					
Undesignated.....	(8,325)	-	-	12,075	20,579
Total fund equity (deficit).....	<u>(8,325)</u>	<u>-</u>	<u>20</u>	<u>1,450,542</u>	<u>1,874,357</u>
Total liabilities and fund equity.....	<u>\$ -</u>	<u>\$ 30</u>	<u>\$ 778</u>	<u>\$ 2,454,862</u>	<u>\$ 3,064,402</u>

See accountants' review report



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

Fiscal Year Ended June 30, 2014
(Amounts in thousands)

				Administrative Control
	General	Commonwealth Transportation	Commonwealth Stabilization	Intragovernmental Service
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes.....	\$ 20,539,735	\$ 1,231,994	\$ 867	\$ -
Assessments.....	439,998	22,211	-	-
Federal grants and reimbursements.....	8,366,140	-	-	-
Tobacco settlement revenue.....	282,049	-	-	-
Departmental.....	2,156,954	522,364	-	354,758
Miscellaneous.....	254,968	2,430	7,259	-
Total revenues.....	32,039,844	1,778,999	8,126	354,758
Other financing sources:				
Fringe benefit cost recovery.....	310,559	-	-	-
Lottery reimbursements.....	95,891	-	-	-
Lottery distributions.....	921,730	-	-	-
Operating transfers in.....	241,225	11,428	-	-
Stabilization transfer.....	771,569	-	459,767	-
Other fund deficit support.....	-	102,495	-	-
Total other financing sources.....	2,340,974	113,923	459,767	-
Total revenues and other financing sources.....	34,380,818	1,892,922	467,893	354,758
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Legislature.....	56,299	-	-	-
Judiciary.....	814,129	-	-	-
Inspector General.....	6,162	-	-	-
Governor and Lieutenant Governor.....	5,144	-	-	-
Secretary of the Commonwealth.....	44,240	-	-	99
Treasurer and Receiver-General.....	203,358	-	-	-
Auditor of the Commonwealth.....	17,536	-	-	-
Attorney General.....	43,028	-	-	-
Ethics Commission.....	1,904	-	-	-
District Attorney.....	105,962	-	-	-
Office of Campaign & Political Finance.....	1,370	-	-	-
Sheriff's Departments.....	552,978	-	-	-
Disabled Persons Protection Commission.....	2,412	-	-	-
Board of Library Commissioners.....	22,184	-	-	-
Comptroller.....	8,541	-	-	4,270
Administration and Finance.....	1,931,276	-	-	197,457
Energy and Environmental Affairs.....	200,882	-	-	1,384
Health and Human Services.....	4,979,491	-	-	91,045
Massachusetts Department of Transportation.....	-	275,200	-	-
Executive Office of Education.....	2,077,382	-	-	456
Center for Health Information and Analysis.....	23,706	-	-	-
Public Safety and Homeland Security.....	1,010,411	-	-	48,364
Housing and Economic Development.....	498,273	-	-	1,541
Labor and Workforce Development.....	41,437	-	-	-
Direct local aid.....	5,292,467	-	-	-
Medicaid.....	11,900,776	-	-	-
Post employment benefits.....	2,050,361	-	-	-
Debt service:				
Principal retirement.....	625,392	616,364	-	6,218
Interest and fiscal charges.....	428,601	456,853	-	-
Total expenditures.....	32,945,702	1,348,417	-	350,834
Other financing uses:				
Fringe benefit cost assessment.....	-	-	-	-
Operating transfers out.....	73,249	515,089	-	3,478
State Retiree Benefits transfer.....	27,346	29,064	2,273	-
State Pension transfer.....	-	-	2,273	-
Stabilization transfer.....	459,767	-	771,569	-
Commonwealth care transfer.....	390,079	-	-	-
Medical assistance transfer.....	395,025	-	-	-
Delivery system transformation initiatives trust transfer.....	70,732	-	-	-
Other fund deficit support.....	148,019	-	-	-
Total other financing uses.....	1,564,217	544,153	776,115	3,478
Total expenditures and other financing uses.....	34,509,919	1,892,570	776,115	354,312
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	(129,101)	352	(308,222)	446
Fund balance (deficit) at beginning of year.....	273,230	14,032	1,556,657	9,783
Fund balance (deficit) at end of year.....	\$ 144,129	\$ 14,384	\$ 1,248,435	\$ 10,229

See accountants' review report

continued

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

Fiscal Year Ended June 30, 2014
(Amounts in thousands)

	Budgeted Other			Totals (Memorandum only)	
	Local Aid Stabilization	Maunufacturing	Community College	2014	2013
REVENUES AND OTHER FINANCING SOURCES					
Revenues:					
Taxes.....	\$ -	\$ -	\$ -	\$ 21,822,030	\$ 20,631,882
Assessments.....	-	-	-	462,209	460,086
Federal grants and reimbursements.....	-	-	-	8,372,145	8,228,417
Tobacco settlement revenue.....	-	-	-	282,049	228,148
Departmental.....	-	-	-	3,043,132	2,781,359
Miscellaneous.....	-	-	-	264,697	217,475
Total revenues.....	-	-	-	34,246,262	32,547,367
Other financing sources:					
Fringe benefit cost recovery.....	-	-	-	310,559	294,675
Lottery reimbursements.....	-	-	-	95,891	93,517
Lottery distributions.....	-	-	-	921,730	949,428
Operating transfers in.....	375	975	1,275	256,395	224,067
Stabilization transfer.....	-	-	-	1,231,336	1,126,464
Other fund deficit support.....	-	12,608	32,444	167,972	-
Total other financing sources.....	375	13,583	33,719	2,983,883	2,688,151
Total revenues and other financing sources.....	375	13,583	33,719	37,230,145	35,235,518
EXPENDITURES AND OTHER FINANCING USES					
Expenditures:					
Legislature.....	-	-	-	56,299	57,254
Judiciary.....	-	-	-	814,129	790,620
Inspector General.....	-	-	-	6,162	5,870
Governor and Lieutenant Governor.....	-	-	-	5,161	5,572
Secretary of the Commonwealth.....	-	-	-	44,339	43,928
Treasurer and Receiver-General.....	-	-	-	203,358	192,785
Auditor of the Commonwealth.....	-	-	-	17,536	17,579
Attorney General.....	-	-	-	43,028	40,731
Ethics Commission.....	-	-	-	1,904	1,904
District Attorney.....	-	-	-	105,962	105,110
Office of Campaign & Political Finance.....	-	-	-	1,370	1,239
Sheriff's Departments.....	-	-	-	552,978	528,489
Disabled Persons Protection Commission.....	-	-	-	2,412	2,281
Board of Library Commissioners.....	-	-	-	22,184	21,775
Comptroller.....	-	-	-	12,811	12,038
Administration and Finance.....	-	-	-	2,128,851	1,981,484
Energy and Environmental Affairs.....	-	-	-	216,418	203,062
Health and Human Services.....	-	-	-	5,070,536	4,848,767
Massachusetts Department of Transportation.....	-	-	-	275,200	160,000
Executive Office of Education.....	8,700	1,582	28,310	2,116,430	1,963,589
Center for Health Information and Analysis.....	-	-	-	23,706	9,067
Public Safety and Homeland Security.....	-	-	-	1,058,775	1,002,745
Housing and Economic Development.....	-	9,729	-	534,725	460,801
Labor and Workforce Development.....	-	2,000	-	43,437	38,902
Direct local aid.....	-	-	-	5,292,467	5,115,737
Medicaid.....	-	-	-	11,900,776	10,799,693
Post employment benefits.....	-	-	-	2,050,361	1,967,042
Debt service:					
Principal retirement.....	-	-	-	1,247,974	1,220,685
Interest and fiscal charges.....	-	-	-	885,454	896,533
Total expenditures.....	8,700	13,311	28,310	34,734,743	32,495,282
Other financing uses:					
Fringe benefit cost assessment.....	-	272	5,389	8,291	2,460
Operating transfers out.....	-	-	-	594,826	440,885
State Retiree Benefits transfer.....	-	-	-	58,683	23,375
State Pension transfer.....	-	-	-	2,273	23,375
Stabilization transfer.....	-	-	-	1,231,336	1,126,464
Commonwealth care transfer.....	-	-	-	390,079	661,249
Medical assistance transfer.....	-	-	-	395,025	390,889
Delivery system transformation initiatives trust transfer.....	-	-	-	70,732	186,908
Other fund deficit support.....	-	-	-	167,972	-
Total other financing uses.....	-	272	5,389	2,919,217	2,855,605
Total expenditures and other financing uses.....	8,700	13,583	33,699	37,653,960	35,350,887
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	(8,325)	-	20	(423,815)	(115,369)
Fund balance (deficit) at beginning of year.....	-	-	-	1,874,357	1,989,726
Fund balance (deficit) at end of year.....	\$ (8,325)	\$ -	\$ 20	1,450,542	\$ 1,874,357

See accountants' review report



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Budgeted Funds

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

Fiscal Year Ended June 30, 2014

(Amounts in thousands)

	General			Commonwealth Transportation		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES AND OTHER FINANCING SOURCES						
Revenues:						
Taxes.....	\$ 20,077,700	\$ 20,539,735	\$ 462,035	\$ 1,217,400	\$ 1,231,994	\$ 14,594
Assessments.....	458,634	439,998	(18,636)	22,460	22,211	(249)
Federal grants and reimbursements.....	8,777,590	8,366,140	(411,450)	-	-	-
Tobacco settlement revenue.....	253,628	282,049	28,421	-	-	-
Departmental.....	2,069,011	2,156,954	87,943	523,795	522,364	(1,431)
Miscellaneous.....	245,544	254,968	9,424	1,410	2,430	1,020
Total revenues.....	31,882,107	32,039,844	157,737	1,765,065	1,778,999	13,934
Other financing sources:						
Fringe benefit cost recovery.....	294,051	310,559	16,508	-	-	-
Lottery reimbursements.....	91,216	95,891	4,675	-	-	-
Lottery distributions.....	946,917	921,730	(25,187)	-	-	-
Operating transfers in.....	249,706	241,225	(8,481)	-	11,428	11,428
Stabilization transfer.....	361,000	771,569	410,569	-	-	-
Other fund deficit support.....	-	-	-	-	102,495	102,495
Total other financing sources.....	1,942,890	2,340,974	398,084	-	113,923	113,923
Total revenues and other financing sources.....	33,824,997	34,380,818	555,821	1,765,065	1,892,922	127,857
EXPENDITURES AND OTHER FINANCING USES						
Expenditures:						
Legislature.....	74,274	56,299	17,975	-	-	-
Judiciary.....	822,826	814,129	8,697	-	-	-
Inspector General.....	6,251	6,162	89	-	-	-
Governor and Lieutenant Governor.....	9,338	5,144	4,194	-	-	-
Secretary of the Commonwealth.....	44,816	44,240	576	-	-	-
Treasurer and Receiver-General.....	236,874	203,358	33,516	-	-	-
Auditor of the Commonwealth.....	17,624	17,536	88	-	-	-
Attorney General.....	44,678	43,028	1,650	-	-	-
Ethics Commission.....	1,922	1,904	18	-	-	-
District Attorney.....	106,090	105,962	128	-	-	-
Office of Campaign and Political Finance.....	1,408	1,370	38	-	-	-
Sheriff's Departments.....	567,569	552,978	14,591	-	-	-
Disabled Persons Protection Commission.....	2,413	2,412	1	-	-	-
Board of Library Commissioners.....	22,241	22,184	57	-	-	-
Comptroller.....	8,544	8,541	3	-	-	-
Administration and Finance.....	1,944,169	1,931,276	12,893	-	-	-
Energy and Environmental Affairs.....	208,796	200,882	7,914	-	-	-
Health and Human Services.....	5,096,698	4,979,491	117,207	-	-	-
Massachusetts Department of Transportation.....	-	-	-	275,300	275,200	100
Executive Office of Education.....	2,109,402	2,077,382	32,020	-	-	-
Center for Health Information and Analysis.....	32,193	23,706	8,487	-	-	-
Public Safety and Homeland Security.....	1,034,019	1,010,411	23,608	-	-	-
Housing and Economic Development.....	519,696	498,273	21,423	-	-	-
Labor and Workforce Development.....	52,683	41,437	11,246	-	-	-
Direct local aid.....	5,294,063	5,292,467	1,596	-	-	-
Medicaid.....	12,116,397	11,900,776	215,621	-	-	-
Post employment benefits.....	2,050,361	2,050,361	-	-	-	-
Debt service:						
Principal retirement.....	643,059	625,392	17,667	637,447	616,364	21,083
Interest and fiscal charges.....	436,371	428,601	7,770	470,315	456,853	13,462
Total expenditures.....	33,504,775	32,945,702	559,073	1,383,062	1,348,417	34,645
Other financing uses:						
Fringe benefit cost assessment.....	-	-	-	-	-	-
Operating transfers out.....	8,922	73,249	(64,327)	512,079	515,089	(3,010)
State Retiree Benefits transfer.....	-	27,346	(27,346)	-	29,064	(29,064)
State Pension transfer.....	-	-	-	-	-	-
Stabilization transfer.....	37,000	459,767	(422,767)	-	-	-
Commonwealth care transfer.....	340,079	390,079	(50,000)	-	-	-
Medical assistance transfer.....	620,025	395,025	225,000	-	-	-
Delivery system transformation initiatives trust transfer.....	93,449	70,732	22,717	-	-	-
Other fund deficit support.....	-	148,019	(148,019)	-	-	-
Total other financing uses.....	1,099,475	1,564,217	(464,742)	512,079	544,153	(32,074)
Total expenditures and other financing uses.....	34,604,250	34,509,919	94,331	1,895,141	1,892,570	2,571
Excess (deficiency) of revenues and other financing sources						
over / (under) expenditures and other financing uses.....	(779,253)	(129,101)	650,152	(130,076)	352	130,428
Fund balances (deficit) at beginning of year.....	273,230	273,230	-	14,032	14,032	-
Fund balances (deficit) at end of year.....	\$ (506,023)	\$ 144,129	\$ 650,152	\$ (116,044)	\$ 14,384	\$ 130,428

See accountants' review report

continued

Budgeted Funds

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

Fiscal Year Ended June 30, 2014

(Amounts in thousands)

	Environmental			Budgeted Other		
	Marine Recreational Fisheries Developmen			Public Safety Trust		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES AND OTHER FINANCING SOURCES						
Revenues:						
Taxes.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assessments.....	-	-	-	-	-	-
Federal grants and reimbursements.....	-	-	-	-	-	-
Tobacco settlement revenue.....	-	-	-	-	-	-
Departmental.....	1,780	1,408	(372)	-	568	568
Miscellaneous.....	-	-	-	-	-	-
Total revenues.....	1,780	1,408	(372)	-	568	568
Other financing sources:						
Fringe benefit cost recovery.....	-	-	-	-	-	-
Lottery reimbursements.....	-	-	-	-	-	-
Lottery distributions.....	-	-	-	-	-	-
Operating transfers in.....	-	-	-	-	-	-
Stabilization transfer.....	-	-	-	-	-	-
Other fund deficit support.....	-	-	-	-	-	-
Total other financing sources.....	-	-	-	-	-	-
Total revenues and other financing sources.....	1,780	1,408	(372)	-	568	568
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 and Political Finance.....	-	-	-	-	-	-
Sheriff's Departments.....	-	-	-	-	-	-
Disabled Persons Protection Commission.....	-	-	-	-	-	-
Board of Library Commissioners.....	-	-	-	-	-	-
Comptroller.....	-	-	-	-	-	-
Administration and Finance.....	-	-	-	-	-	-
Energy and Environmental Affairs.....	1,042	890	152	-	-	-
Health and Human Services.....	-	-	-	-	-	-
Massachusetts Department of Transportation.....	-	-	-	-	-	-
Executive Office of Education.....	-	-	-	-	-	-
Center for Health Information and Analysis.....	-	-	-	-	-	-
Public Safety and Homeland Security.....	-	-	-	-	-	-
Housing and Economic Development.....	-	-	-	-	-	-
Labor and Workforce Development.....	-	-	-	-	-	-
Direct local aid.....	-	-	-	-	-	-
Medicaid.....	-	-	-	-	-	-
Post employment benefits.....	-	-	-	-	-	-
Debt service:						
Principal retirement.....	-	-	-	-	-	-
Interest and fiscal charges.....	-	-	-	-	-	-
Total expenditures.....	1,042	890	152	-	-	-
Other financing uses:						
Fringe benefit cost assessment.....	-	95	(95)	-	-	-
Operating transfers out.....	-	-	-	-	-	-
State Retiree Benefits transfer.....	-	-	-	-	-	-
State Pension transfer.....	-	-	-	-	-	-
Stabilization transfer.....	-	-	-	-	-	-
Commonwealth care transfer.....	-	-	-	-	-	-
Medical assistance transfer.....	-	-	-	-	-	-
Delivery system transformation initiatives trust transfer.....	-	-	-	-	-	-
Other fund deficit support.....	-	-	-	-	-	-
Total other financing uses.....	-	95	(95)	-	-	-
Total expenditures and other financing uses.....	1,042	985	57	-	-	-
Excess (deficiency) of revenues and other financing sources						
over / (under) expenditures and other financing uses.....	738	423	(315)	-	568	568
Fund balances (deficit) at beginning of year.....	1,976	1,976	-	-	-	-
Fund balances (deficit) at end of year.....	\$ 2,714	\$ 2,399	\$ (315)	\$ -	\$ 568	\$ 568

See accountants' review report

Budgeted Other								
Children and Families Protection			Massachusetts Tourism			Local Capital Projects		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 46,000	\$ 48,472	\$ 2,472	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	1	1	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	1	1	46,000	48,472	2,472	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	2,625	113	(2,512)	19,250	825	(18,425)
-	-	-	-	-	-	-	20,425	20,425
-	-	-	2,625	113	(2,512)	19,250	21,250	2,000
-	1	1	48,625	48,585	(40)	19,250	21,250	2,000
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	17	17	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	5	-	5	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	25,300	25,182	118	21,250	-	21,250
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	25,322	25,199	123	21,250	-	21,250
-	-	-	-	-	-	-	-	-
-	-	-	356	480	(124)	-	-	-
-	1	(1)	-	3,009	(3,009)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	19,953	(19,953)	-	-	-
-	1	(1)	356	23,442	(23,086)	-	-	-
-	1	(1)	25,678	48,641	(22,963)	21,250	-	21,250
-	-	-	-	-	-	-	-	-
-	-	-	22,947	(56)	(23,003)	(2,000)	21,250	23,250
-	-	-	76	76	-	-	-	-
\$ -	\$ -	\$ -	\$ 23,023	\$ 20	\$ (23,003)	\$ (2,000)	\$ 21,250	\$ 23,250

continued

Budgeted Funds

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

Fiscal Year Ended June 30, 2014

(Amounts in thousands)

	Budgeted Other					
	Local Aid Stabilization			Manufacturing		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES AND OTHER FINANCING SOURCES						
Revenues:						
Taxes.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assessments.....	-	-	-	-	-	-
Federal grants and reimbursements.....	-	-	-	-	-	-
Tobacco settlement revenue.....	-	-	-	-	-	-
Departmental.....	-	-	-	-	-	-
Miscellaneous.....	-	-	-	-	-	-
Total revenues.....	-	-	-	-	-	-
Other financing sources:						
Fringe benefit cost recovery.....	-	-	-	-	-	-
Lottery reimbursements.....	-	-	-	-	-	-
Lottery distributions.....	-	-	-	-	-	-
Operating transfers in.....	8,750	375	(8,375)	22,750	975	(21,775)
Stabilization transfer.....	-	-	-	-	-	-
Other fund deficit support.....	-	-	-	-	12,608	12,608
Total other financing sources.....	8,750	375	(8,375)	22,750	13,583	(9,167)
Total revenues and other financing sources.....	8,750	375	(8,375)	22,750	13,583	(9,167)
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 and 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.....	-	-	-	-	-	-
Massachusetts Department of Transportation.....	-	-	-	-	-	-
Executive Office of Education.....	8,700	8,700	-	1,582	1,582	-
Center for Health Information and Analysis.....	-	-	-	-	-	-
Public Safety and Homeland Security.....	-	-	-	-	-	-
Housing and Economic Development.....	-	-	-	19,163	9,729	9,434
Labor and Workforce Development.....	-	-	-	2,000	2,000	-
Direct local aid.....	-	-	-	-	-	-
Medicaid.....	-	-	-	-	-	-
Post employment benefits.....	-	-	-	-	-	-
Debt service:						
Principal retirement.....	-	-	-	-	-	-
Interest and fiscal charges.....	-	-	-	-	-	-
Total expenditures.....	8,700	8,700	-	22,745	13,311	9,434
Other financing uses:						
Fringe benefit cost assessment.....	-	-	-	-	272	(272)
Operating transfers out.....	-	-	-	-	-	-
State Retiree Benefits transfer.....	-	-	-	-	-	-
State Pension transfer.....	-	-	-	-	-	-
Stabilization transfer.....	-	-	-	-	-	-
Commonwealth care transfer.....	-	-	-	-	-	-
Medical assistance transfer.....	-	-	-	-	-	-
Delivery system transformation initiatives trust transfer.....	-	-	-	-	-	-
Other fund deficit support.....	-	-	-	-	-	-
Total other financing uses.....	-	-	-	-	272	(272)
Total expenditures and other financing uses.....	8,700	8,700	-	22,745	13,583	9,162
Excess (deficiency) of revenues and other financing sources						
over / (under) expenditures and other financing uses.....	50	(8,325)	(8,375)	5	-	(5)
Fund balances (deficit) at beginning of year.....	-	-	-	-	-	-
Fund balances (deficit) at end of year.....	\$ 50	\$ (8,325)	\$ (8,375)	\$ 5	\$ -	\$ (5)

See accountants' review report

Budgeted Other Community College			Totals (Memorandum only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 21,342,000	\$ 21,822,030	\$ 480,030
-	-	-	481,094	462,209	(18,885)
-	-	-	8,783,190	8,372,145	(411,045)
-	-	-	253,628	282,049	28,421
-	-	-	2,601,444	3,043,132	441,688
-	-	-	257,982	264,697	6,715
-	-	-	33,719,338	34,246,262	526,924
-	-	-	294,051	310,559	16,508
-	-	-	91,216	95,891	4,675
-	-	-	946,917	921,730	(25,187)
29,750	1,275	(28,475)	332,961	256,395	(76,566)
-	-	-	508,000	1,231,336	723,336
-	32,444	32,444	-	167,972	167,972
29,750	33,719	3,969	2,173,145	2,983,883	810,738
29,750	33,719	3,969	35,892,483	37,230,145	1,337,662
-	-	-	74,274	56,299	17,975
-	-	-	822,826	814,129	8,697
-	-	-	6,251	6,162	89
-	-	-	9,355	5,161	4,194
-	-	-	44,932	44,339	593
-	-	-	236,874	203,358	33,516
-	-	-	17,624	17,536	88
-	-	-	44,678	43,028	1,650
-	-	-	1,922	1,904	18
-	-	-	106,090	105,962	128
-	-	-	1,408	1,370	38
-	-	-	567,569	552,978	14,591
-	-	-	2,413	2,412	1
-	-	-	22,241	22,184	57
-	-	-	13,249	12,811	438
-	-	-	2,240,249	2,128,851	111,398
-	-	-	224,790	216,418	8,372
-	-	-	5,216,338	5,070,536	145,802
-	-	-	275,305	275,200	105
30,469	28,310	2,159	2,152,013	2,116,430	35,583
-	-	-	32,193	23,706	8,487
-	-	-	1,088,751	1,058,775	29,976
-	-	-	587,889	534,725	53,164
-	-	-	73,724	43,437	30,287
-	-	-	5,294,063	5,292,467	1,596
-	-	-	12,116,397	11,900,776	215,621
-	-	-	2,050,361	2,050,361	-
-	-	-	1,286,724	1,247,974	38,750
-	-	-	906,686	885,454	21,232
30,469	28,310	2,159	35,517,189	34,734,743	782,446
-	5,389	(5,389)	2,295	8,291	(5,996)
-	-	-	521,001	594,826	(73,825)
-	-	-	-	58,683	(58,683)
-	-	-	-	2,273	(2,273)
-	-	-	401,700	1,231,336	(829,636)
-	-	-	340,079	390,079	(50,000)
-	-	-	620,025	395,025	225,000
-	-	-	93,449	70,732	22,717
-	-	-	-	167,972	(167,972)
-	5,389	(5,389)	1,978,549	2,919,217	(940,668)
30,469	33,699	(3,230)	37,495,738	37,653,960	(158,222)
(719)	20	739	(1,603,255)	(423,815)	1,179,440
-	-	-	1,874,357	1,874,357	-
\$ (719)	\$ 20	\$ 739	\$ 271,102	\$ 1,450,542	\$ 1,179,440

General Fund
Balance Sheet - Statutory Basis

June 30, 2014
(Amounts in thousands)

	2014	2013
ASSETS		
Cash and short-term investments.....	\$ 379,763	\$ 774,717
Receivables, net of allowance for uncollectibles:		
Due from federal government.....	708,833	586,074
Other receivables.....	11,022	15,607
Due from cities and towns.....	5,020	9,088
Total assets.....	<u>\$ 1,104,638</u>	<u>\$ 1,385,486</u>
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 789,552	\$ 951,066
Accrued payroll.....	170,957	161,190
Total liabilities.....	<u>960,509</u>	<u>1,112,256</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	144,129	273,230
Total fund balance.....	144,129	273,230
Total liabilities and fund balance.....	<u>\$ 1,104,638</u>	<u>\$ 1,385,486</u>

See accountants' review report

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

Fiscal Year Ended June 30, 2014
(Amounts in thousands)

	2014 Budget	2014 Actual	Variance Favorable (Unfavorable)	2013 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes.....	\$ 20,077,700	\$ 20,539,735	\$ 462,035	\$ 19,615,891
Assessments.....	458,634	439,998	(18,636)	438,295
Federal grants and reimbursements.....	8,777,590	8,366,140	(411,450)	8,221,900
Tobacco settlement revenue.....	253,628	282,049	28,421	228,148
Departmental.....	2,069,011	2,156,954	87,943	1,886,898
Miscellaneous.....	245,544	254,968	9,424	211,446
Total revenues.....	31,882,107	32,039,844	157,737	30,602,578
Other financing sources:				
Fringe benefit cost recovery.....	294,051	310,559	16,508	294,675
Lottery reimbursements.....	91,216	95,891	4,675	93,517
Lottery distributions.....	946,917	921,730	(25,187)	949,428
Operating transfers in.....	249,706	241,225	(8,481)	212,118
Stabilization transfer.....	361,000	771,569	410,569	626,466
Total other financing sources.....	1,942,890	2,340,974	398,084	2,176,204
Total revenues and other financing sources.....	33,824,997	34,380,818	555,821	32,778,782
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Legislature.....	74,274	56,299	17,975	57,254
Judiciary.....	822,826	814,129	8,697	790,620
Inspector General.....	6,251	6,162	89	5,870
Governor and Lieutenant Governor.....	9,338	5,144	4,194	5,555
Secretary of the Commonwealth.....	44,816	44,240	576	43,815
Treasurer and Receiver-General.....	236,874	203,358	33,516	192,785
Auditor of the Commonwealth.....	17,624	17,536	88	17,579
Attorney General.....	44,678	43,028	1,650	40,731
Ethics Commission.....	1,922	1,904	18	1,904
District Attorney.....	106,090	105,962	128	105,110
Office of Campaign and Political Finance.....	1,408	1,370	38	1,239
Sheriff's Departments.....	567,569	552,978	14,591	528,489
Disabled Persons Protection Commission.....	2,413	2,412	1	2,281
Board of Library Commissioners.....	22,241	22,184	57	21,775
Comptroller.....	8,544	8,541	3	8,116

continued

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

Fiscal Year Ended June 30, 2014
(Amounts in thousands)

	2014 Budget	2014 Actual	Variance Favorable (Unfavorable)	2013 Actual
Expenditures (continued):				
Administration and Finance.....	1,944,169	1,931,276	12,893	1,791,545
Energy and Environmental Affairs.....	208,796	200,882	7,914	188,527
Health and Human Services.....	5,096,698	4,979,491	117,207	4,768,918
Executive Office of Education.....	2,109,402	2,077,382	32,020	1,963,499
Center for Health Information and Analysis.....	32,193	23,706	8,487	9,067
Public Safety and Homeland Security.....	1,034,019	1,010,411	23,608	959,953
Housing and Economic Development.....	519,696	498,273	21,423	442,689
Labor and Workforce Development.....	52,683	41,437	11,246	38,902
Direct local aid.....	5,294,063	5,292,467	1,596	5,115,737
Medicaid.....	12,116,397	11,900,776	215,621	10,799,693
Post employment benefits.....	2,050,361	2,050,361	-	1,967,042
Debt service:				
Principal retirement.....	643,059	625,392	17,667	668,923
Interest and fiscal charges.....	436,371	428,601	7,770	432,648
Total expenditures.....	33,504,775	32,945,702	559,073	30,970,266
Other financing uses:				
Operating transfers out.....	8,922	73,249	(64,327)	97,891
Stabilization transfer.....	37,000	459,767	(422,767)	499,998
State Retiree Benefits transfer.....	-	27,346	(27,346)	-
Commonwealth care transfer.....	340,079	390,079	(50,000)	661,249
Medical assistance transfer.....	620,025	395,025	225,000	390,889
Delivery system transformation initiatives trust transfer.....	93,449	70,732	22,717	186,908
Other fund deficit support.....	-	148,019	(148,019)	-
Total other financing uses.....	1,099,475	1,564,217	(464,742)	1,836,935
Total expenditures and other financing uses.....	34,604,250	34,509,919	94,331	32,807,201
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	(779,253)	(129,101)	650,152	(28,419)
Fund balance (deficit) at beginning of year.....	273,230	273,230	-	301,649
Fund balance (deficit) at end of year.....	\$ (506,023)	\$ 144,129	\$ 650,152	\$ 273,230

See accountants' review report

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Commonwealth Transportation Fund
Balance Sheet - Statutory Basis

June 30, 2014
(Amounts in thousands)

	2014	2013
ASSETS		
Cash and short-term investments.....	\$ 608	\$ -
Cash with fiscal agent.....	14,384	13,932
Receivables, net of allowance for uncollectibles:		
Other receivable.....	-	45,512
Total assets.....	<u>\$ 14,992</u>	<u>\$ 59,444</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ -	\$ 44,867
Accounts payable.....	608	545
Total liabilities.....	<u>608</u>	<u>45,412</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	-	100
Reserved for debt service.....	14,384	13,932
Total fund balance.....	<u>14,384</u>	<u>14,032</u>
Total liabilities and fund balance.....	<u>\$ 14,992</u>	<u>\$ 59,444</u>

See accountants' review report

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

Fiscal Year Ended June 30, 2014
(Amounts in thousands)

	2014 Budget	2014 Actual	Variance Favorable (Unfavorable)	2013 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes.....	\$ 1,217,400	\$ 1,231,994	\$ 14,594	\$ 968,615
Assessments.....	22,460	22,211	(249)	21,791
Departmental.....	523,795	522,364	(1,431)	557,684
Miscellaneous.....	1,410	2,430	1,020	666
Total revenues.....	<u>1,765,065</u>	<u>1,778,999</u>	<u>13,934</u>	<u>1,548,756</u>
Other financing sources:				
Operating transfers in.....	-	11,428	11,428	11,779
Other fund deficit support.....	-	102,495	102,495	-
Total other financing sources.....	<u>-</u>	<u>113,923</u>	<u>113,923</u>	<u>11,779</u>
Total revenues and other financing sources.....	<u>1,765,065</u>	<u>1,892,922</u>	<u>127,857</u>	<u>1,560,535</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Massachusetts Department of Transportation.....	275,300	275,200	100	160,000
Debt service:				
Principal retirement.....	637,447	616,364	21,083	551,762
Interest and fiscal charges.....	470,315	456,853	13,462	463,885
Total expenditures.....	<u>1,383,062</u>	<u>1,348,417</u>	<u>34,645</u>	<u>1,175,647</u>
Other financing uses:				
Operating transfers out.....	512,079	515,089	(3,010)	335,079
State Retiree Benefits transfer.....	-	29,064	(29,064)	-
Stabilization transfer.....	-	-	-	43,358
Total other financing uses.....	<u>512,079</u>	<u>544,153</u>	<u>(32,074)</u>	<u>378,437</u>
Total expenditures and other financing uses.....	<u>1,895,141</u>	<u>1,892,570</u>	<u>2,570</u>	<u>1,554,084</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	(130,076)	352	130,428	6,451
Fund balance (deficit) at beginning of year.....	14,032	14,032	-	7,581
Fund balance (deficit) at end of year.....	<u>\$ (116,044)</u>	<u>\$ 14,384</u>	<u>\$ 130,428</u>	<u>\$ 14,032</u>

See accountants' review report

Commonwealth Stabilization Fund
Balance Sheet- Statutory Basis

June 30, 2014
(Amounts in thousands)

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and short-term investments.....	\$ 986,598	\$ 1,298,310
Investments.....	<u>261,837</u>	<u>258,347</u>
Total assets.....	<u><u>\$ 1,248,435</u></u>	<u><u>\$ 1,556,657</u></u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Reserved fund balance:		
Reserved for Commonwealth Stabilization.....	<u>1,248,435</u>	<u>1,556,657</u>
Total fund balance.....	<u>1,248,435</u>	<u>1,556,657</u>
Total liabilities and fund balance.....	<u><u>\$ 1,248,435</u></u>	<u><u>\$ 1,556,657</u></u>

See accountants' review report

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

Fiscal Year Ended June 30, 2014
(Amounts in thousands)

	2014 Budget	2014 Actual	Variance Favorable (Unfavorable)	2013 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes.....	\$ -	\$ 867	\$ 867	\$ 1,291
Miscellaneous.....	11,000	7,259	(3,741)	5,322
Total revenues.....	11,000	8,126	(2,874)	6,613
Other financing sources:				
Stabilization transfer.....	147,000	459,767	312,767	499,998
Total other financing sources.....	147,000	459,767	312,767	499,998
Total revenues and other financing sources.....	158,000	467,893	309,893	506,611
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Administration and Finance.....	-	-	-	-
Total expenditures.....	-	-	-	-
Other financing uses:				
State Retiree Benefits transfer.....	-	2,273	(2,273)	23,375
State Pension transfer.....	-	2,273	(2,273)	23,375
Stabilization transfer.....	364,700	771,569	(406,869)	555,322
Total other financing uses.....	364,700	776,115	(411,415)	602,072
Total expenditures and other financing uses.....	364,700	776,115	(411,415)	602,072
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	(206,700)	(308,222)	(101,522)	(95,461)
Fund balance (deficit) at beginning of year.....	1,556,657	1,556,657	-	1,652,118
Fund balance (deficit) at end of year.....	\$ 1,349,957	\$ 1,248,435	\$ (101,522)	\$ 1,556,657

See accountants' review report

Intragovernmental Service Fund
Balance Sheet - Statutory Basis

June 30, 2014
(Amounts in thousands)

	2014	2013
ASSETS		
Cash and short-term investments.....	\$ 41,709	\$ 40,234
Total assets.....	<u>\$ 41,709</u>	<u>\$ 40,234</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 27,296	\$ 26,109
Accrued payroll.....	<u>4,184</u>	<u>4,342</u>
Total liabilities.....	<u>31,480</u>	<u>30,451</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	<u>10,229</u>	<u>9,783</u>
Total fund balance	<u>10,229</u>	<u>9,783</u>
Total liabilities and fund balance.....	<u>\$ 41,709</u>	<u>\$ 40,234</u>

See accountants' review report

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

Fiscal Year Ended June 30, 2014
(Amounts in thousands)

	2014 Budget	2014 Actual	Variance Favorable (Unfavorable)	2013 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental.....	\$ -	\$ 354,758	\$ 354,758	\$ 328,654
Total revenues.....	-	354,758	354,758	328,654
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	-	354,758	354,758	328,654
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Secretary of the Commonwealth.....	116	99	17	113
Comptroller.....	4,705	4,270	435	3,922
Administration and Finance.....	295,962	197,457	98,505	189,939
Energy and Environmental Affairs.....	1,424	1,384	40	1,259
Health and Human Services.....	119,640	91,045	28,595	79,849
Executive Office of Education.....	1,860	456	1,404	90
Public Safety and Homeland Security.....	54,732	48,364	6,368	42,792
Housing and Economic Development.....	2,480	1,541	939	1,147
Labor and Workforce Development.....	19,041	-	19,041	-
Debt service:				
Principal retirement.....	6,218	6,218	-	-
Total expenditures.....	506,178	350,834	155,344	319,111
Other financing uses:				
Operating transfers out.....	-	3,478	(3,478)	7,915
Total other financing uses.....	-	3,478	(3,478)	7,915
Total expenditures and other financing uses.....	506,178	354,312	151,866	327,026
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	(506,178)	446	506,624	1,628
Fund balance (deficit) at beginning of year.....	9,783	9,783	-	8,155
Fund balance (deficit) at end of year.....	\$ (496,395)	\$ 10,229	\$ 506,624	\$ 9,783

See accountants' review report

Inland Fisheries And Game Fund
Balance Sheet - Statutory Basis

June 30, 2014
(Amounts in thousands)

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and short-term investments.....	\$ 18,548	\$ 19,524
Total assets.....	<u>\$ 18,548</u>	<u>\$ 19,524</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 772	\$ 617
Accrued payroll.....	<u>343</u>	<u>304</u>
Total liabilities.....	<u>1,115</u>	<u>921</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	<u>17,433</u>	<u>18,603</u>
Total fund balance.....	<u>17,433</u>	<u>18,603</u>
Total liabilities and fund balance.....	<u>\$ 18,548</u>	<u>\$ 19,524</u>

See accountants' review report

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

Fiscal Year Ended June 30, 2014

(Amounts in thousands)

	2014 Budget	2014 Actual	Variance Favorable (Unfavorable)	2013 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes.....	\$ 900	\$ 962	\$ 62	\$ 857
Federal grants and reimbursements.....	5,600	6,005	405	6,517
Departmental.....	6,858	7,079	221	6,893
Miscellaneous.....	28	40	12	41
Total revenues.....	<u>13,386</u>	<u>14,086</u>	<u>700</u>	<u>14,308</u>
Other financing sources:				
Operating transfers in.....	130	179	49	170
Total other financing sources.....	<u>130</u>	<u>179</u>	<u>49</u>	<u>170</u>
Total revenues and other financing sources.....	<u>13,516</u>	<u>14,265</u>	<u>749</u>	<u>14,478</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Administration and Finance.....	118	118	-	-
Energy and Environmental Affairs.....	13,528	13,262	266	12,544
Total expenditures.....	<u>13,646</u>	<u>13,380</u>	<u>266</u>	<u>12,544</u>
Other financing uses				
Fringe benefit cost assessment.....	1,939	2,055	(116)	1,995
Total other financing uses.....	<u>1,939</u>	<u>2,055</u>	<u>(116)</u>	<u>1,995</u>
Total expenditures and other financing uses.....	<u>15,585</u>	<u>15,435</u>	<u>150</u>	<u>14,539</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	(2,069)	(1,170)	899	(61)
Fund balance (deficit) at beginning of year.....	18,603	18,603	-	18,664
Fund balance (deficit) at end of year.....	<u>\$ 16,534</u>	<u>\$ 17,433</u>	<u>\$ 899</u>	<u>\$ 18,603</u>

See accountants' review report

Marine Recreational Fisheries Development Fund
Balance Sheet - Statutory Basis

June 30, 2014
(Amounts in thousands)

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and short-term investments.....	\$ 2,538	\$ 2,096
Total assets.....	<u>\$ 2,538</u>	<u>\$ 2,096</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 123	\$ 107
Accrued payroll.....	<u>16</u>	<u>13</u>
Total liabilities.....	<u>139</u>	<u>120</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	<u>2,399</u>	<u>1,976</u>
Total fund balance.....	<u>2,399</u>	<u>1,976</u>
Total liabilities and fund balance.....	<u>\$ 2,538</u>	<u>\$ 2,096</u>

See accountants' review report

Marine Recreational Fisheries Development Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2014
(Amounts in thousands)

	2014 Budget	2014 Actual	Variance Favorable (Unfavorable)	2013 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental.....	\$ 1,780	\$ 1,408	\$ (372)	\$ 1,230
Total revenues.....	1,780	1,408	(372)	1,230
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	1,780	1,408	(372)	1,230
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Energy and Environmental Affairs.....	1,042	890	152	732
Total expenditures.....	1,042	890	152	732
Other financing uses				
Fringe benefit cost assessment.....	-	95	(95)	81
Total other financing uses.....	-	95	(95)	81
Total expenditures and other financing uses.....	1,042	985	57	813
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	738	423	(315)	417
Fund balance (deficit) at beginning of year.....	1,976	1,976	-	1,559
Fund balance (deficit) at end of year.....	\$ 2,714	\$ 2,399	\$ (315)	\$ 1,976

See accountants' review report

Public Safety Training Fund
Balance Sheet - Statutory Basis

June 30, 2014
(Amounts in thousands)

	2014	2013
ASSETS		
Cash and short-term investments.....	\$ 568	\$ -
Total assets.....	<u>\$ 568</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>568</u>	<u>-</u>
Total fund balance (deficit).....	<u>568</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 568</u>	<u>\$ -</u>

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

Fiscal Year Ended June 30, 2014
(Amounts in thousands)

	2014 Budget	2014 Actual	Variance Favorable (Unfavorable)	2013 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental.....	\$ -	\$ 568	\$ 568	\$ -
Total revenues.....	-	568	568	-
Other financing sources:				
Operating transfer in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	-	568	568	-
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Administration and finance.....	-	-	-	-
Total expenditures.....	-	-	-	-
Other financing uses:				
Operating transfer out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other financing uses.....	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.	-	568	568	-
Fund balance (deficit) at beginning of year.....	-	-	-	-
Fund balance (deficit) at end of year.....	\$ -	\$ 568	\$ 568	\$ -

Children and Families Protection Fund
Balance Sheet - Statutory Basis

June 30, 2014
(Amounts in thousands)

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>-</u>	<u>-</u>
Total fund balance (deficit).....	<u>-</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Children and Families Protection Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2014
(Amounts in thousands)

	2014 Budget	2014 Actual	Variance Favorable (Unfavorable)	2013 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental.....	\$ -	1	\$ 1	\$ -
Total revenues.....	-	1	1	-
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	-	1	1	-
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Health and human services.....	-	-	-	-
Total expenditures.....	-	-	-	-
Other financing uses:				
Operating transfers out.....	-	1	(1)	-
Total other financing uses.....	-	1	(1)	-
Total expenditures and other financing uses.....	-	1	(1)	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	-	-	-	-
Fund balance (deficit) at beginning of year.....	-	-	-	-
Fund balance (deficit) at end of year.....	\$ -	\$ -	\$ -	\$ -

Massachusetts Tourism Fund
Balance Sheet - Statutory Basis

June 30, 2014
(Amounts in thousands)

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and short-term investments.....	\$ 1,376	\$ 961
Total assets.....	<u>\$ 1,376</u>	<u>\$ 961</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 1,279	\$ 832
Accrued payroll.....	<u>77</u>	<u>53</u>
Total liabilities.....	<u>1,356</u>	<u>885</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	<u>20</u>	<u>76</u>
Total fund balance.....	<u>20</u>	<u>76</u>
Total liabilities and fund balance.....	<u>\$ 1,376</u>	<u>\$ 961</u>

See accountants' review report

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

Fiscal Year Ended June 30, 2014
(Amounts in thousands)

	2014 Budget	2014 Actual	Variance Favorable (Unfavorable)	2013 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes.....	\$ 46,000	\$ 48,472	\$ 2,472	\$ 45,228
Total revenues.....	46,000	48,472	2,472	45,228
Other financing sources:				
Operating transfers in.....	2,625	113	(2,512)	-
Total other financing sources.....	2,625	113	(2,512)	-
Total revenues and other financing sources.....	48,625	48,585	(40)	45,228
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Governor and Lieutenant Governor.....	17	17	-	17
Massachusetts Department of Transportation.....	5	-	5	-
Total expenditures.....	25,322	25,199	118	16,982
Other financing uses:				
Fringe benefit cost assessment.....	356	480	(124)	384
Operating transfers out.....	-	3,009	(3,009)	-
Stabilization transfer.....	-	-	-	27,786
Other fund deficit support.....	-	19,953	(19,953)	-
Total other financing uses.....	356	23,442	(23,086)	28,170
Total expenditures and other financing uses.....	25,678	48,641	(22,968)	45,152
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	22,947	(56)	(23,003)	76
Fund balance (deficit) at beginning of year.....	76	76	-	-
Fund balance (deficit) at end of year.....	\$ 23,023	\$ 20	\$ (23,003)	\$ 76

See accountants' review report

Local Capital Projects Fund
Balance Sheet - Statutory Basis

June 30, 2014
(Amounts in thousands)

	2014	2013
ASSETS		
Cash and short-term investments.....	\$ 21,250	\$ -
Total assets.....	<u>\$ 21,250</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	21,250	-
Total fund balance (deficit).....	<u>21,250</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 21,250</u>	<u>\$ -</u>

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

Fiscal Year Ended June 30, 2014
(Amounts in thousands)

	2014 Budget	2014 Actual	Variance Favorable (Unfavorable)	2013 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental.....	\$ -	\$ -	\$ -	\$ -
Total revenues.....	-	-	-	-
Other financing sources:				
Operating transfers in.....	19,250	825	(18,425)	-
Other fund deficit support.....	-	20,425	20,425	-
Total other financing sources.....	19,250	21,250	2,000	-
Total revenues and other financing sources.....	19,250	21,250	2,000	-
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Housing and Economic Development.....	21,250	-	21,250	-
Total expenditures.....	21,250	-	21,250	-
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other financing uses.....	21,250	-	21,250	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(2,000)	21,250	23,250	-
Fund balance (deficit) at beginning of year.....	-	-	-	-
Fund balance (deficit) at end of year.....	\$ (2,000)	\$ 21,250	\$ 23,250	\$ -

Local Aid Stabilization Fund
Balance Sheet - Statutory Basis

June 30, 2014
(Amounts in thousands)

	2014	2013
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	\$ -	\$ -
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 7,182	\$ -
Accounts payable.....	1,143	-
Total liabilities.....	8,325	-
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	(8,325)	-
Total fund balance (deficit).....	(8,325)	-
Total liabilities and fund balance.....	\$ -	\$ -

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

Fiscal Year Ended June 30, 2014
(Amounts in thousands)

	2014 Budget	2014 Actual	Variance Favorable (Unfavorable)	2013 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental.....	\$ -	\$ -	\$ -	\$ -
Total revenues.....	-	-	-	-
Other financing sources:				
Operating transfers in.....	8,750	375	(8,375)	-
Total other financing sources.....	8,750	375	(8,375)	-
Total revenues and other financing sources.....	8,750	375	(8,375)	-
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Executive Office of Education.....	8,700	8,700	-	-
Total expenditures.....	8,700	8,700	-	-
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other financing uses.....	8,700	8,700	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	50	(8,325)	(8,375)	-
Fund balance (deficit) at beginning of year.....	-	-	-	-
Fund balance (deficit) at end of year.....	\$ 50	\$ (8,325)	\$ (8,375)	\$ -

Manufacturing Fund
Balance Sheet - Statutory Basis

June 30, 2014
(Amounts in thousands)

	2014	2013
ASSETS		
Cash and short-term investments.....	\$ 30	\$ -
Total assets.....	<u>\$ 30</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 30	\$ -
Total liabilities.....	<u>30</u>	<u>-</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>-</u>	<u>-</u>
Total fund balance (deficit).....	<u>-</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 30</u>	<u>\$ -</u>

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

Fiscal Year Ended June 30, 2014
(Amounts in thousands)

	2014 Budget	2014 Actual	Variance Favorable (Unfavorable)	2013 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental.....	\$ -	\$ -	\$ -	\$ -
Total revenues.....	-	-	-	-
Other financing sources:				
Operating transfers in.....	22,750	975	(21,775)	-
Other fund deficit support.....	-	12,608	12,608	-
Total other financing sources.....	22,750	13,583	(9,167)	-
Total revenues and other financing sources.....	22,750	13,583	(9,167)	-
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Executive Office of Education.....	1,582	1,582	-	-
Housing and Economic Development.....	19,163	9,729	9,434	-
Labor and Workforce Development.....	2,000	2,000	-	-
Total expenditures.....	22,745	13,311	9,434	-
Other financing uses:				
Fringe benefit cost assessment.....	-	272	(272)	-
Total other financing uses.....	-	272	(272)	-
Total expenditures and other financing uses.....	22,745	13,583	9,162	-
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	5	-	(5)	-
Fund balance (deficit) at beginning of year.....	-	-	-	-
Fund balance (deficit) at end of year.....	\$ 5	\$ -	\$ (5)	\$ -

Community College Fund
Balance Sheet - Statutory Basis

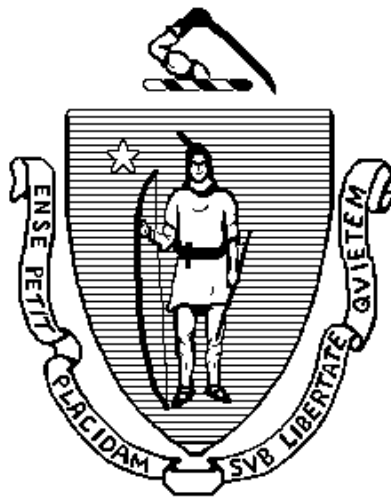
June 30, 2014
(Amounts in thousands)

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and short-term investments.....	\$ 778	\$ -
Total assets.....	<u>\$ 778</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accrued payroll.....	\$ 758	\$ -
Total liabilities.....	<u>758</u>	<u>-</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	<u>20</u>	<u>-</u>
Total fund balance (deficit).....	<u>20</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 778</u>	<u>\$ -</u>

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

Fiscal Year Ended June 30, 2014
(Amounts in thousands)

	2014 Budget	2014 Actual	Variance Favorable (Unfavorable)	2013 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental.....	\$ -	\$ -	\$ -	\$ -
Total revenues.....	-	-	-	-
Other financing sources:				
Operating transfers in.....	29,750	1,275	(28,475)	-
Other fund deficit support.....	-	32,444	32,444	-
Total other financing sources.....	29,750	33,719	3,969	-
Total revenues and other financing sources.....	29,750	33,719	3,969	-
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Executive Office of Education.....	30,469	28,310	2,159	-
Total expenditures.....	30,469	28,310	2,159	-
Other financing uses:				
Fringe benefit cost assessment.....	-	5,389	(5,389)	-
Total other financing uses.....	-	5,389	(5,389)	-
Total expenditures and other financing uses.....	30,469	33,699	(3,230)	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(719)	20	739	-
Fund balance (deficit) at beginning of year.....	-	-	-	-
Fund balance (deficit) at end of year.....	\$ (719)	\$ 20	\$ 739	\$ -



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Non-Budgeted Funds

SPECIAL REVENUE FUNDS:

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

Federal Grants Fund – to account for federal grants that are designated for specific programs, excluding federal highway construction grants, which are accounted for in the Federal Highway Construction Capital Projects Fund, and federal reimbursement programs, such as Medicaid, which are accounted for in the General Fund.

LOTTERY FUNDS:

The two lottery funds account for the operations of the State and Arts Lotteries.

State Lottery Fund – to account for revenue from the sale of lottery tickets and for the payment of prizes, expenses of the State Lottery Commission and the distribution to municipalities and school districts. Transfers are made from lottery profits to the General Fund.

Arts Lottery Fund – to account for revenues from the sale of lottery tickets, for payment of prizes and the expenses of the State Lottery Commission, and for the administration of the Arts Lottery Council. Transfers are made to the General Fund at the end of the fiscal year.

GAMING FUNDS:

Massachusetts Gaming Control Fund – to account for all gaming fees and assessments not recorded in other funds by legislative mandate and other monies authorized by the General Court. Expenditures are to finance the activities of the Massachusetts Gaming Commission (MGC).

Gaming Licensing Fund – to account for the collection of all gaming establishment licensing fees established under Chapter 23K of the General Laws and excluding initial application fees. Monies from this fund shall be transferred to various funds in accordance with Section 93 of Chapter 194 of the Acts of 2011. This fund shall expire on December 31, 2015.

UNIVERSAL HEALTH CARE FUNDS:

The twelve Universal Healthcare Funds account for assessments and other revenues that are dedicated to making health care and health insurance accessible and affordable to all citizens of the Commonwealth.

Catastrophic Illness in Children Relief Fund – to account for receipts from a portion of an employer's unemployment health insurance contribution and certain Federal financial participation. The assistance is for medical expenses of childhood catastrophic illnesses not covered by any other state and federal program and subject to certain family income limits.

Commonwealth Care Trust Fund – to collect fair share employer assessments, free rider surcharges, cigarette tax revenues, transfers from the Health Safety Net Trust Fund and any funds that may be appropriated or transferred for deposit into the trust fund for the purpose of providing health care coverage in accordance with Chapter 58 of the Acts of 2006.

Medical Assistance Trust Fund – to account for any funds directed to the Commonwealth from public entities and federal revenues related to medical assistance; to be used for medical assistance payments to entities authorized by the general court.

Health Safety Net Trust Fund – to account for reimbursing hospitals and community health centers for a portion of the cost of reimbursable health services provided to low-income, uninsured or underinsured residents of the Commonwealth.

Section 1202 Trust Fund – to account for amounts equal to the Federal Financial Participation (FFP) received for the portion of expenditures eligible for 100% FFP under Section 1202 of the Patient Protection and Affordable Care Act, Public Law 111-152 and regulations adopted thereunder. The amount deposited shall not exceed the amount expended from the fund. Expenditures shall be exclusively for services provided in calendar years 2013 and 2014 that are eligible for 100% FFP under said Section 1202. The secretary of health and human services may incur expenses, and the comptroller may certify for payment from the fund amounts in anticipation of expected receipts, but no expenditure shall be made from the fund that shall cause the fund to be in deficit at the close of a fiscal year. Funds may be expended for services provided in prior fiscal years. This fund expires June 30, 2015.

Delivery System Transformation Initiatives Trust Fund – to account for funds expended for delivery system transformation initiatives payments to qualifying providers under an approved federal waiver.

Money Follows the Person Rebalancing Demonstration Grant Trust Fund – to account for funds used for expenses that primarily benefit individuals who have disabilities or long-term illnesses or who are elders. The funds shall be used to fund slots for participants in the two new “money follows the person” home and community-based waiver programs established to support the commonwealth’s rebalancing initiative. Monies equal to the amount of federal financial participation collected from the previous quarter shall be transferred to the fund.

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

Healthcare Payment Reform Fund – to account for any gaming license fees transferred under Section 93 of Chapter 194 of the Acts of 2011, as amended by Section 10 of Chapter 3 of the Acts of 2013, 5% of the acute hospital assessments and any monies credited or transferred to the fund from any other fund or source. The Health Policy Commission is the trustee of the fund and may expend from the fund, without further appropriation, to carry out the purposes of Chapter 224 of the Acts of 2012, which is to improve the quality of and reduce the cost of health care in the Commonwealth.

Distressed Hospital Trust Fund – to account for public and private sources such as gifts, grants and donations, interest earned on such revenues, 60% of the acute hospital assessment established in Section 241 of Chapter 224 of the Acts of 2012, and any funds provided from other sources. All expenditures from the Distressed Hospital Trust Fund shall support the State’s efforts to meet the health care cost growth benchmark established in Section 9 of Chapter 6D of the General Laws and shall be consistent with any activities funded by the e-Health Institute, the Healthcare Payment Reform Fund, and any delivery system transformation initiative funds authorized by the federal government. No more than 10% of the amounts held in the fund in any 1 year shall be used by the commission for the combined cost of program administration, technical assistance to grantees or program evaluation.

Prevention and Wellness Trust Fund – to account for: (1) any revenue from appropriations or other monies authorized by the General Court and specifically designated to be credited to the fund; (2) any fines and penalties allocated to the fund; (3) any funds from public

and private sources such as gifts, grants and donations to further community-based prevention activities; (4) any interest earned on such revenues; and (5) any funds provided from other sources. Also, 26 2/3% of the acute hospital assessment established in Section 241 of Chapter 224 of the Acts of 2012 shall be credited to this fund. All expenditures from the fund shall support the state’s efforts to meet the health care cost growth benchmark established in Section 9 of Chapter 6D of the General Laws and any activities funded by the Healthcare Payment Reform Fund and other health related purposes. No more than 15% of the amounts held in the fund in any 1 year shall be used by the department for the combined cost of program administration, technical assistance to grantees or program evaluation.

Massachusetts Health Information Exchange Fund – to account for expenditures to support the dissemination and development of the statewide health information exchange. There shall be credited to the fund any appropriations, proceeds of any bonds or notes of the commonwealth issued for the purpose, or other monies authorized by the general court and designated thereto; any federal grants or loans; any private gifts, grants or donations made available; and any income derived from the investment of amounts credited to the fund.

OTHER FUNDS:

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

Dam and Seawall Repair or Removal Fund – to account for amounts credited or transferred to the fund by the General Court or any other source including, without limitation, federal grants; loan repayments; investment earnings on monies in the fund; and any other amounts required to be credited to the fund by operation of law, resolution or agreement entered into by the Department of Conservation and Recreation. Amounts credited to the fund shall be used to provide grants or loans to local governmental bodies, charitable organizations and private dam owners to finance or refinance costs related to dams and flood or wave control repair or remediation projects. Grants from the fund shall only be available to local government bodies and charitable organizations.

Department of Telecommunication and Energy Trust Fund – to account for expenditures by the Department of Telecommunications and Energy for activities of the Department related to the regulation of electric companies.

Fingerprint-Based Background Check Trust Fund – to account for any appropriations or other monies authorized by the General Court and specifically designated to be credited thereto and any additional funds designated for deposit into the fund, including any private donations made available for deposit into the fund. Expenditures shall be for the sole purpose of carrying out state and national criminal background checks and verifications.

Liability Management and Reduction Fund – to account for chargebacks assessed to departments as premiums for the provision of insurance coverage for state agencies to cover payment of judgments, settlements and litigation costs in tort claims.

Medical Marijuana Trust Fund – to account for revenues generated from fees collected after July 1, 2013, as authorized by Section 3B of Chapter 7 of the General Laws and Section 13 of Chapter 369 of the acts of 2012. Expenditures from the fund shall be for the administrative costs of operations and programs related to said Chapter 369. The department may incur expenses and the comptroller may certify for payment, amounts in anticipation of expected receipts; provided, however, that no expenditure shall be made from the fund which shall cause the fund to be in deficit at the close of a fiscal year.

Essex Regional Emergency Communications Center Fund – The fund shall be used for the operation of the Essex Regional Emergency Communications Center to provide centralized emergency communication services to participating communities. There shall be credited to the fund amounts from the following sources: (i) the per capita assessment based on population on each member city or town that has accepted and executed the Regional Emergency Communications Center (RECC) intermunicipal agreement for the joint provision of public safety communications, dispatch and operations services, or IMA; and (ii) any other funding, including, but not limited to, appropriation, gift, grant, contribution, transfer or investment. Expenditures from the fund shall be made for the operating costs of the RECC in compliance with the annual operating plan and budget adopted by the finance advisory board under the IMA; provided, however, that funds shall not be used toward the capital budget requirements of the Essex County Regional Emergency Communications Center.

Dockside Testing Trust Fund – to account for fees collected from harvesters of molluscan shellfish on Georges Bank in waters that are not monitored for the presence of paralytic shellfish toxin in the amount of \$35,000 per vessel that harvests molluscan shellfish in those waters. Expenditures shall be for the administrative costs of the operations and programs of the department

related to regulating and monitoring the shellfish harvesters, including the testing of shellfish as necessary to ensure that they are safe for human consumption. The department may incur expenses and the comptroller may certify for payment amounts in anticipation of expected receipts, but no expenditure shall be made from the fund that would cause the fund to be in deficit at the close of a fiscal year.

Commonwealth of Massachusetts Civil Monetary Penalty (CMP) Fund – to account for civil monetary penalties paid by nursing homes participating in the medical program for the protection of health and property of residents in a nursing home if the facility is found deficient.

MBTA State and Local Contribution Fund – to account for the transfer of dedicated sales tax revenue and MBTA service area assessments from the Commonwealth to the MBTA as set forth in Massachusetts General Laws, Chapter 10, Section 35T.

Community Preservation Trust Fund – to account for revenues received from surcharges on real estate property taxes, public and private sources as gifts, grants and donations, from damages, penalties costs from litigation settlements and surcharge on municipal liens imposed by the cities and towns that accept funds from the trust, to further community open space preservation programs.

Health Insurance Portability and Accountability Act Fund – to account for revenues received from Federal reimbursements under the Social Security Act, other Federal reimbursements, grants, gifts or other contributions to meet the costs of compliance with the Federal Health Insurance Portability and Accountability Act of 1996 (HIPPA).

State Racing Fund – to account for racing-related taxes and assessments, to be used for expenditures governing simulcasting and to provide certain relief to the racing industry in the Commonwealth. This fund expires on July 31, 2016.

Division of Professional Licensure Trust Fund – to support programs and administrative costs of the Division of Professional Licensure. Revenues are from professional registration fees and expenditures are for regulatory purposes. Moneys deposited into the trust fund that are unexpended at the end of the fiscal year, and that total not more than 50 per cent of the division's expenditures for the previous fiscal year, shall not revert to the General Fund.

Victims of Drunk Driving Trust Fund – to account for fines collected from individuals convicted of driving under the influence of various substances defined by the law.

Expenditures are for grants to community based programs to provide counseling and support services to victims of accidents.

State Athletic Commission Fund – to account for licensing fees, other fees and fines collected up to a maximum of \$200,000 per year. All revenues in excess of \$200,000 shall be transferred to the General Fund.

Organ and Tissue Donor Registration Fund – to account for funds received from public and private donations, fees collected by the department of Public Health, including interest revenue, for the purpose of registration of residents of the Commonwealth as organ and tissue donors. Administrative costs cannot exceed 3% per annum of the funds held in the fund in any given fiscal year.

Department of Fire Services Hazardous Materials Emergency Mitigation Response Recovery Trust Fund – to account for monies received from fees, fines and investment income up to a maximum of \$250,000 per year. All revenues in excess of \$250,000 are transferred to the General Fund. Expenditures are for emergency hazardous materials response and mitigation costs.

Registers Technological Fund – to account for funds received from deed surcharges for the benefit of abolished counties. Expenditures are for technological improvements at the registries of deeds in those counties.

County Registers Technological Fund – to account for monies received from deed surcharges for Barnstable, Bristol, Dukes, Norfolk, Plymouth and Nantucket Counties. Expenditures are for technical improvements at those counties.

State Election Campaign Fund – to account for the costs of quadrennial statewide elections provided for through contributions from citizens.

Enhanced 911 Fund – to account for expenditures by the State Police and the Executive Office of Public Safety and Security to automatically identify a telephone number used to place or route a 911 call.

Counsel for Indigent Salary Enhancement Trust Fund – to account for fees collected for private applications for criminal complaints for misdemeanors in Commonwealth courts, including investment income. Expenditures are for rate enhancements for advocates for the indigent.

Smart Growth Housing Trust Fund – to account for revenues from state surplus property sold for between \$25 million to \$50 million, or appropriations from the General Fund and monetary sanctions imposed by the department.

This fund is controlled by the Department of Housing and Community Development for the purpose of making payments to communities under the Smart Growth and Housing Production program.

Special Projects Permitting and Oversight Fund – to account for environmental permitting fees. Expenditures are for permitting, technical assistance, compliance and other activities related to environmental oversight.

Division of Energy Resources Credit Trust Fund – to account for the receipt, retention, redemption, sale or transfer of energy conservation credits, renewable energy certificates or credits, emission credits and similar allowances. The Division of Energy Resources may expend these funds, without further appropriation for the implementation of programs for energy reliability, renewable energy, public procurement of energy and energy efficiency and climate change.

School Modernization and Reconstruction Trust Fund – to account for dedicated sales tax revenues in support of the School Building Assistance Program.

Roche Community Rink Fund – to account for the residual net revenues of the privately operated ice skating rink located in the West Roxbury section of the city of Boston.

Health Care Workforce Transformation Fund – to account for all revenue received under Section 28 of Chapter 224 of the Acts of 2012, including payments made under the healthcare workforce loan repayment program, appropriations made by General Court and gifts, grants and interest income. Expenditures of not more than 10% of the amount held in the fund in any one year shall be used by the Secretary of Health and Human Services for the combined cost of program administration, technical assistance to grantees and program evaluation. Funds of not less than 20% may be transferred to the Department of Public Health and up to 10% may be transferred to the Massachusetts Nursing and Allied Health Workforce Development Trust Fund. Funds remaining shall be expended by the Executive Office of Labor and Workforce Development for various healthcare related jobs programs.

Workforce Competitiveness Trust Fund – to account for funds to support the development and implementation of employer and work responsive programs to enhance worker skills, income, productivity and retention and to increase the quality and competitiveness of Massachusetts firms. The fund is administered by the Executive Office of Labor and Workforce Development.

Fire Prevention and Public Safety Fund – to account for all penalties recovered under the Cigarette Fire Safety Regulation Act to be used for fire safety and prevention programs.

Cigarette Fire Safety and Firefighter Protection Act Enforcement Fund – to account for the fire safety certification fees submitted by cigarette manufacturers. The fund is used solely to support state processing, testing, enforcement and oversight activities related to implementation of the cigarette fire safety regulation.

Massachusetts Board of Higher Education Scholar-Internship Match Fund – to provide a match for industry scholarships given to Massachusetts students going on to study for a post-secondary degree at Massachusetts public higher education institutions. The amount to be matched through the Scholar-Internship Match Fund shall not exceed \$5,000 per student, contingent upon receiving a corresponding industry scholarship or internship of up to the same amount.

District Local Technical Assistance Fund – to account for grants to regional planning agencies for technical assistance to municipalities and to develop a statewide permitting model. Technical assistance services funded by these grants shall include services for zoning, land use planning, conservation, public safety planning, information technology and statistical trend modeling. Expenditures from this fund may not exceed \$2.8 million in any fiscal year.

Educational Rewards Grant Program Fund – to account for grants to students in accredited post-secondary certificate or vocational technology programs or associate degrees in targeted high-demand occupations.

Massachusetts Nursing and Allied Health Workforce Development Trust Fund – to account for funds appropriated, grants, loans or private donations received to increase the number of public and private higher education faculty and students who participate in programs that support careers in fields related to nursing and allied health.

Health Information Technology Trust Fund – to account for federal reimbursements received under the Health Information Technology for Economic and Clinical Health Act and other revenues received from or in support of the health care provider incentive payment program for incentive payments to eligible Massachusetts Medicaid health care providers and for the promotion of electronic health record adoption and health information exchange in the Commonwealth. This fund may incur a deficit, after approval from the Secretary of Administration and

Finance, in an amount not to exceed the most recent revenue estimate as certified by the MassHealth Director.

Build America Bonds Subsidy Trust Fund – to account for subsidies from the United States Treasury related to taxable Build America bonds issued by the Commonwealth. Expenditures are used to pay debt service related to these bonds.

Housing Preservation and Stabilization Fund – to account for any unexpended funds from specific appropriations, which shall not revert to the General Fund but instead shall be deposited in the trust fund; other funds appropriated or transferred to the trust fund by the general court; and all interest earned on monies in the trust fund. Expenditures shall be made, without appropriation, only for providing affordable housing for low-income families and individuals in the commonwealth, particularly those most at risk of becoming homeless. Eligible grantees shall include, but are not limited to: local housing agencies, regional housing centers, private housing providers of affordable housing, other state agencies and municipalities. For the purpose of accommodating discrepancies between the receipt of revenues and related expenditures, the undersecretary may incur obligations and the comptroller may certify payment amounts not to exceed the most recent revenue estimate submitted by the undersecretary and approved by the secretary of administration and finance but the fund shall be in balance by the close of each fiscal year. Balances remaining at the end of a fiscal year shall not revert to the General Fund.

Veterans Independence Plus Initiative Trust Fund – to account for revenues collected by the department from this initiative. Expenditures from the fund shall be for the administration of the Veterans Independence Plus Initiative, a joint initiative of the United States Department of Veterans Affairs and the Administration on Aging in the United States Department of Health and Human Services. The department may incur expenses and the comptroller may certify for payment amounts in anticipation of expected receipts, provided that no expenditure shall be made from the fund which shall cause the fund to be in deficit at the close of a fiscal year. The secretary may expend from the fund for services provided in prior fiscal years.

Government Land Bank Fund – to account for proceeds from disposition, conversion and redevelopment of land used for industrial and low income housing developments to fund payments of principal and interest on bonds and notes of the Massachusetts Development Finance Agency.

Natural Heritage and Endangered Species Fund – to account for revenues from public and private sources and/or the federal government as reimbursements, grants, donations or other receipts; used to acquire by purchase, lease, easement or license land critical to nongame wildlife and endangered species for purposes of protecting and enhancing nongame wildlife.

Massachusetts Mathematics, Science, Technology and Engineering Grant Fund – to account for support provided to Massachusetts students who participate in programs that support careers in fields related to mathematics, science, technology and engineering. The grants also support curriculum development in those fields.

Commonwealth Covenant Fund – to support programs that provide accessible tuition loan repayments to students who attend public universities or colleges in Massachusetts and remain in the Commonwealth to pursue careers in the STEM (science, technology, engineering and mathematics) fields.

Massachusetts Alternative and Clean Energy Investment Trust Fund – to account for any funds invested in clean energy technology research and issued as seed grants to companies, universities and nonprofits to encourage the creation of clean technology ventures and the training of workers to perform associated green jobs.

Regional Greenhouse Gas Initiatives (RGGI) Auction Trust Fund – to account for auction proceeds under the carbon dioxide cap and trade program. Expenditures from the fund shall be made by the Department of Environmental Protection in consultation with the Department of Energy Resources to adopt rules and regulations establishing a carbon dioxide cap to limit and reduce the total carbon dioxide emissions released by electricity-generating stations.

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

Ocean Resources and Waterways Trust Fund – to account for funds appropriated, investment income, grants or ocean development mitigation fees received; for use in restoring or enhancing marine habitat and resources affected by project developments.

Off Highway Vehicle Program Fund – to account for fees, fines and investment income collected for use in enforcement and environmental development, repair and restorations of trails and facilities.

Workforce Training Trust Fund – to account for revenues from the 0.075% unemployment surcharge on taxable wages on employers; to provide grants to employers, employer groups, labor organizations and training providers for projects to provide education and training to existing employees and newly hired workers.

Oil Overcharge Fund – to account for the fines and penalties collected under federal litigation from certain oil companies; used to provide fuel assistance and home insulation for low-income residents.

Substance Abuse Services Fund – to account for funds used to expand inpatient treatment facilities and ongoing case management for individuals civilly committed under Section 35 of Chapter 123 of the General Laws.

State Low Income Housing Tax Credit Fund – to account for funds used to offset General Fund costs associated with the state low income housing tax credit claimed annually by eligible taxpayers. The aggregate amount of transferred funds for all fiscal years during which the fund is effective shall not exceed \$9.5 million. The fund expired as of June 30, 2014.

Human Service Salary Reserve Fund – to account for funds transferred from the General Fund to provide a one-time subsidy to personnel earning less than \$40,000 in annual compensation who are employed by private human service providers that deliver human and social services under contracts with departments within the Executive Office of Health and Human Services and the Executive Office of Elder Affairs.

Victims of Human Trafficking Trust Fund – to account for the proceeds of assets seized and forfeited and fines and assessments collected along with any interest earned. Funds shall be transferred to the Victim and Witness Assistance Board to administer grants to public, private non-profit or community-based programs in the Commonwealth.

Department of Public Utilities Storm Trust Fund – to account for assessments charged against each electric company under the jurisdictional control of the Department of Public Utilities and any income derived from the investment of amounts credited to the Fund. Monies from this fund shall be used in investigating the preparation for and response to storm and other emergency events by electric companies in the Commonwealth.

Homeless Animal Prevention and Care Fund – to offset costs associated with the vaccination, spaying and neutering of homeless dogs and cats, owned by low-

income residents and to assist with the training of animal control officers consistent with Section 151C of Chapter 140 of the General Laws. The fund shall consist of all revenues received by the Commonwealth pursuant to the voluntary check-off donation indicated on the Department of Revenue's annual income tax return and from public and private sources as gifts, grants and donations to further reduce the population of homeless animals.

Horseneck Beach Reservation Trust Fund – to account for the long-term preservation, maintenance, nourishment and public safety of Horseneck Beach in the Town of Westport. Revenues credited to the fund shall consist of a surcharge of \$1 imposed by the Department of Conservation and Recreation upon each fee charged and collected from admission to and parking in the Horseneck Beach Reservation. Expenditures from the fund for public safety may be made available to the town of Westport's police, fire, ambulance and emergency personnel.

Environmental Trust Fund – to account for fines, gifts and grants used for restoration, protection and improvement of the quality of Boston Harbor, Lynn Harbor, Massachusetts Bay, Buzzards Bay and Cape Cod Bay.

Social Innovation Financing Trust Fund – to account for funding contracts to improve outcomes and lower costs for contracted government services. The Secretary of Administration and Finance may provide that payments in future years under any such contracts shall constitute a general obligation of the Commonwealth for which the full faith and credit of the Commonwealth shall be pledged for the benefit of the providers of the contracted government services, but the total amount of payments under such contracts secured by a pledge of the full faith and credit of the Commonwealth shall not exceed, in the aggregate, \$50 million.

Children's Trust Fund – to account for gifts, grants, interest and donations to the Child Abuse Prevention Board and certain appropriations designated to be transferred to the fund; used for support programs to raise awareness of child abuse and prevention programs.

Child Support Enforcement Fund – to account for federal grants used for activities associated with the collection of child support.

Massachusetts Military Family Relief Fund – to account for revenues received by the Commonwealth pursuant to the voluntary check-off donation indicated on the Department of Revenue's annual income tax return, from public and private sources as gifts, grants, and donations to further the purposes of the fund, which is to help members

of the Massachusetts National Guard and Massachusetts residents who are members of the Armed Forces of the United States and who were called to active duty after September 11, 2001.

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

Massachusetts AIDS Fund – to account for revenues received by the Commonwealth pursuant to the voluntary check-off donation indicated on the Department of Revenue's annual income tax return, from public and private sources as gifts, grants, and donations; used for research, treatment, and education related to acquired immune deficiency syndrome.

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

Board of Registration in Medicine Fund – to account for certain revenues and expenditures of the Board.

Water Pollution Abatement Projects Administration Fund – to account for transfers from the Water Pollution Abatement Trust and general obligation bond proceeds; used for the administration of the Department of Environmental Protection to fund water pollution abatement projects.

Child Care Quality Fund – to account for revenues received from the sale of "Invest in Children" distinctive registration plates issued by the Registrar of Motor Vehicles and the expenditures by the commissioner of the Office for Children for providing grants for not-for-profit childcare organizations for the purpose of improving childcare services.

Convention and Exhibition Center Fund – to account for certain rooms and sales and use taxes, surcharges imposed on tourist tickets, including cruises and land-based sightseeing located in the Commonwealth, to finance the construction and operating expenses of a new Boston Convention Center and convention centers in Worcester and Springfield.

Firearms Fingerprint Identity Verification Trust Fund – to account for fees paid in firearms registrations for the purpose of financing fingerprint identification verifications with the fingerprint records maintained by the Federal Bureau of Investigations or any other federal agency for the verification of firearms license application identities.

Grant Anticipation Note Trust Fund – to account for proceeds to cover federal grant anticipation note expenditures and pay the related debt service.

Race Horse Development Fund – to account for the daily assessment of 9% of gross gaming revenues collected by slot machine-only venues, in accordance with Section 55c of Chapter 23K of the General Laws. Expenditures from this fund shall be made to each licensee under Chapter 128A of the General Laws.

MASSACHUSETTS DEPARTMENT OF TRANSPORTATION (MassDOT) FUNDS:

Massachusetts Transportation Trust Fund – to account for assessments, federal grants, departmental revenues, transfers and expenditures related to MassDOT.

Central Artery / Tunnel Project Repair and Maintenance Trust Fund – to account for any costs incurred in connection with the repairs and maintenance of the Central Artery and the Ted Williams Tunnel.

Motor Vehicle Safety Inspection Trust Fund – to account for motor vehicle inspection fees for administration and operation of safety inspection programs by the Registry of Motor Vehicles.

The following funds have been enacted in legislation but were inactive in FY14 and are not presented in this report:

Essential Community Provider Trust Fund – to account for amounts appropriated for transfers and interest earned by the fund; used for payments to acute care hospitals and community health centers, as defined in Chapter 58 of the Acts of 2006, Section 8.

Department of Mental Retardation Trust Fund – to account for any receipts from assessments, transfers by the Department of Mental Retardation for public facilities and any other federal financial participation. Expenditures are for operating the intermediate care facilities and community residences serving individuals with mental retardation.

Natural Resources Damages Trust Fund – to account for gifts, grants and other contributions received to fund natural resources restoration projects.

Agricultural Inspection and Infrastructure Trust Fund – to account for agricultural inspection fee revenues, interest or investment earnings on such monies; and all other monies credited or transferred to the fund by law. Expenditures from the fund shall be for agricultural programs and costs related to the Agricultural Innovation Center. Any unexpended balance in the fund at the end of the fiscal year, not to exceed \$200,000, shall not revert to the General Fund but shall remain available for expenditure in subsequent fiscal years.

Office of Refugees and Immigrants Trust Fund – to account for grants, bequests, gifts or contributions of cash or securities and contributions of services or property in kind from persons or other governmental, nongovernmental, quasi-governmental or local governmental entities made for the purpose of supporting the office for refugees and immigrants. Expenditures shall be made only for the following purposes: (i) operating costs of the office for refugees and immigrants, including the divisions and programs within the office; (ii) costs related to carrying out the powers of the office under section 207; and (iii) costs associated with refugee and immigrant-related programs, grants and initiatives of the director. The trustee shall ensure that no expenditures from the fund shall cause the fund to be in deficiency at the close of a fiscal year.

Housing and Economic Development Trust Fund – to account for (i) grants, bequests, gifts or contributions of cash or securities, or contributions of services or property in kind from any persons or other governmental, nongovernmental, quasi-governmental or local governmental entities made for the purpose of supporting the executive office of housing and economic development and (ii) all interest earned on monies in the trust. Expenditures shall be made only for the following purposes: (i) operating costs of the executive office of housing and community development, including the divisions and programs within the executive office; (ii) operating costs of the Massachusetts marketing partnership and the offices within the partnership, including the Massachusetts international trade office, the commonwealth marketing office, the office of travel and tourism, the Massachusetts film office and the Massachusetts sports partnership; and the Massachusetts office of business development, including the divisions and programs within that office; and (iii) costs associated with housing and economic development programs, grants and initiatives of the secretary. The trustee shall

insure that no expenditures from the fund shall cause the fund to be in deficiency at the close of a fiscal year.

Commonwealth Sewer Rate Relief Fund – to account for transfers of amounts from the General Fund or other funds; used for the purpose of mitigating sewer rate increases and making sewer rate relief grants to municipalities.

Regional Transit Authorities Forward Funding Trust Fund – to account for revenues allocated to support capital or other eligible activities for regional transit authorities.

County Correction Fund – to account for approximately 7.5% of the deeds excise tax distributed to counties for the operation of county correctional facilities. With consolidation of counties into the Commonwealth in FY10, this fund became inactive in FY11.

Public Health Trust Fund – to account for the collection of fees on slot machines assessed under Section 56 of Chapter 23K of the General Laws and all other monies credited or transferred to the fund from any other source under law. Funds shall be expended to assist social service and public health programs dedicated to addressing problems associated with compulsive gambling including, but not limited to, gambling prevention and addiction services, substance abuse services, educational campaigns to mitigate the potential addictive nature of gambling and any studies and evaluations necessary.

Gaming Revenue Fund – to account for revenues collected from taxes on gross gaming revenue received from gaming licenses. The revenues shall be transferred to other funds in accordance with Section 59 of Chapter 23K of the General Laws.

Community Mitigation Fund – to account for gaming tax revenue transferred under Section 59 of Chapter 23K of the General Laws and all other monies credited or transferred to the fund from any other fund or source. Funds shall be expended to assist the host community and surrounding communities in offsetting costs related to the construction and operation of a gaming establishment including, but not limited to, communities and water and sewer districts in the vicinity of a gaming establishment, local and regional education, transportation, infrastructure, housing, environmental issues and public safety, including the office of the county district attorney, police, fire and emergency services.

Transportation Infrastructure and Development Fund – to account for monies transferred from the Gaming Revenue Fund and all other monies credited or transferred to the fund from any other fund or source and proceeds

from the investment of such funds. Expenditures shall not be made until the Secretary of Administration and Finance has provided written approval annually of a proposed spending plan. Any expenditures from this fund shall be solely for the purpose of transportation and related infrastructure projects including but not limited to, transit expansion and maintenance. Not less than 50% of such expenditures shall be dedicated for the purpose of supplementing, and not offsetting, any expenditures made for the construction and reconstruction of municipal ways as described in Section 4 of Chapter 6C of the General Laws.

Health Care Security Trust Fund – to account for revenues received from tobacco companies under the tobacco settlement and interest income for health-related services and programs intended to control or reduce the use of tobacco in the Commonwealth. Per statute, tobacco revenues were deposited directly into the General Fund, not into this fund.

Financial Literacy Trust Fund – to account for private contributions, publicly or privately-funded grants and funds appropriated by the state or federal government. The fund shall be used to encourage financial literacy and education for residents, institutions, community organizations and entities that will promote financial literacy

MBTA Infrastructure Renovation Fund – to account for supplemental appropriations beyond the MBTA State and Local Contribution Fund for certain MBTA infrastructure improvements. Funds are to be used for, but not limited to, compliance with the American with Disabilities Act, elevator and escalator improvements, waterproofing, fare gates, signage, lighting and structural improvements. No rolling stock is to be acquired through the fund.

Infrastructure Development Fund – to create jobs and stimulate economic development through infrastructure-related investments. The fund may be used for shovel-ready infrastructure projects including, but not limited to, transit and highway projects, business expansion and redevelopment use and other related projects to create economic opportunity and jobs. Funds may be used to support matching funds for certain capital expenditures which are sponsored by higher educational institutions for scientific or technology research and development. This fund expired on June 30, 2013.

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

Fiscal Year Ended June 30, 2014
(Amounts in thousands)

	Lotteries			Gaming		Universal Health Care Funds	
	Federal Grants	State Lottery	Arts Lottery	Massachusetts Gaming Control	Gaming Licensing	Catastrophic Illness in Children Relief	Commonwealth Care Trust
REVENUES AND OTHER FINANCING SOURCES							
Revenues:							
Taxes.....	\$ -	\$ 631	\$ -	\$ -	\$ -	\$ -	\$ 162,757
Assessments.....	-	-	-	-	-	-	-
Federal grants and reimbursements.....	2,328,438	-	-	-	-	-	-
Departmental.....	-	4,984,062	65,487	31,867	7,500	-	5,000
Miscellaneous.....	1,273	655	39	-	-	-	61,293
Total revenues.....	2,329,711	4,985,348	65,526	31,867	7,500	-	229,050
Other financing sources:							
Bond premiums (discounts) on special obligation bonds.....	-	-	-	-	-	-	-
Operating transfers in.....	3,923	-	-	-	-	3,324	154,028
Commonwealth care trust transfer.....	-	-	-	-	-	-	390,079
Health safety net trust transfer.....	-	-	-	-	-	-	-
Medical assistance transfer.....	-	-	-	-	-	-	-
Delivery system transformation initiatives trust transfer.....	-	-	-	-	-	-	-
Total other financing sources.....	3,923	-	-	-	-	3,324	544,107
Total revenues and other financing sources.....	2,333,634	4,985,348	65,526	31,867	7,500	3,324	773,157
EXPENDITURES AND OTHER FINANCING USES							
Expenditures:							
Judiciary.....	1,215	-	-	-	-	-	-
Inspector General.....	-	-	-	-	-	-	-
Governor and Lieutenant Governor.....	-	-	-	-	-	-	-
Secretary of the Commonwealth.....	916	-	-	-	-	-	-
Treasurer and Receiver-General.....	1,044	3,925,105	55,811	-	-	-	-
Attorney General.....	9,559	-	-	72	-	-	-
District Attorney.....	1,850	-	-	-	-	-	-
Sheriff's Departments.....	3,437	-	-	-	-	-	-
Board of Library Commissioners.....	2,939	-	-	-	-	-	-
Massachusetts Gaming Commission.....	-	-	-	20,087	-	-	-
Comptroller.....	-	-	-	-	-	-	-
Administration and Finance.....	10,731	-	-	-	-	-	726,580
Energy and Environmental Affairs.....	40,106	-	-	-	-	-	-
Health and Human Services.....	430,608	-	-	-	-	615	-
Massachusetts Department of Transportation.....	446	-	-	-	-	-	-
Executive Office of Education.....	989,368	-	-	-	-	-	-
Center for Health Information and Analysis.....	676	-	-	-	-	-	-
Public Safety and Homeland Security.....	143,236	-	-	-	-	-	-
Housing and Economic Development.....	460,108	-	-	-	-	-	-
Labor and Workforce Development.....	146,762	-	-	-	-	-	-
Debt service:							
Principal retirement.....	-	-	-	-	-	-	-
Interest and fiscal charges.....	-	-	-	-	-	-	-
Total expenditures.....	2,243,001	3,925,105	55,811	20,159	-	615	726,580
Other financing uses:							
Fringe benefit cost assessment.....	52,117	7,586	-	861	-	-	-
Lottery operating reimbursements.....	-	87,811	8,080	-	-	-	-
Lottery distributions.....	-	921,730	-	-	-	-	-
Operating transfers out.....	42,882	43,116	1,635	-	5,662	-	650
Health safety net trust transfer.....	-	-	-	-	-	-	30,000
Federal reimbursement transfer out.....	-	-	-	-	-	-	-
Total other financing uses.....	94,999	1,060,243	9,715	861	5,662	-	30,650
Total expenditures and other financing uses.....	2,338,000	4,985,348	65,526	21,020	5,662	615	757,230
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	(4,366)	-	-	10,847	1,838	2,709	15,927
Fund balance (deficit) at beginning of year.....	66,376	-	-	10,869	-	15	-
Fund balance (deficit) at end of year.....	\$ 62,010	\$ -	\$ -	\$ 21,716	\$ 1,838	\$ 2,724	\$ 15,927

See accountants' review report

Universal Health Care Funds								
Medical Assistance Trust	Health Safety Net Trust	Section 1202 Trust	Delivery System Transformation Initiatives Trust	Money Follows the Person Rebalancing Demonstration Grant Trust	Medical Security Trust	Healthcare Payment Reform	Distressed Hospital Trust	Prevention and Wellness Trust
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	358,516	-	-	-	-	3,852	40,410	19,548
-	-	77,407	-	-	-	-	-	-
154,000	1,238	-	-	-	161,188	-	-	-
-	160	-	11,215	-	-	-	-	-
154,000	359,914	77,407	11,215	-	161,188	3,852	40,410	19,548
-	-	-	-	-	-	-	-	-
-	-	-	-	2,718	-	1,725	-	-
-	-	-	-	-	-	-	-	-
-	30,000	-	-	-	-	-	-	-
395,025	-	-	-	-	-	-	-	-
-	-	-	70,732	-	-	-	-	-
395,025	30,000	-	70,732	2,718	-	1,725	-	-
549,025	389,914	77,407	81,947	2,718	161,188	5,577	40,410	19,548
-	-	-	-	-	-	-	-	-
-	12	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	4,185	8,427	-
-	-	-	-	-	-	-	-	-
548,000	378,904	25,738	81,947	806	-	-	-	2,893
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	426	-	-	-	-	149	18	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	29,829	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
548,000	379,342	25,738	81,947	806	29,829	4,334	8,445	2,893
-	513	-	-	-	624	563	53	88
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	8	-	-	-	156,767	-	-	47
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	521	-	-	-	157,391	563	53	135
548,000	379,863	25,738	81,947	806	187,220	4,897	8,498	3,028
1,025	10,051	51,669	-	1,912	(26,032)	680	31,912	16,520
-	68,586	-	945	1,496	39,869	2,280	25,994	11,553
\$ 1,025	\$ 78,637	\$ 51,669	\$ 945	\$ 3,408	\$ 13,837	\$ 2,960	\$ 57,906	\$ 28,073

continued

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

Fiscal Year Ended June 30, 2014
(Amounts in thousands)

	Universal Health Care Funds		Non-Budgeted Other Funds				
	Massachusetts Health Information Exchange	Dam and Seawall Repair or Removal	Department of Telecommunication and Energy Trust	Fingerprint-Based Background Check	Liability Management and Reduction	Medical Marijuana Trust	Essex Regional Emergency Communications Center
REVENUES AND OTHER FINANCING SOURCES							
Revenues:							
Taxes.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assessments.....	-	-	6,397	-	-	-	-
Federal grants and reimbursements.....	-	-	-	-	-	-	-
Departmental.....	436	-	-	-	1,909	3,821	-
Miscellaneous.....	-	20,821	1	961	2	-	646
Total revenues.....	436	20,821	6,398	961	1,911	3,821	646
Other financing sources:							
Bond premiums (discounts) on special obligation bonds.....	-	-	-	-	-	-	-
Operating transfers in.....	-	-	-	-	-	-	-
Commonwealth care trust transfer.....	-	-	-	-	-	-	-
Health safety net trust transfer.....	-	-	-	-	-	-	-
Medical assistance transfer.....	-	-	-	-	-	-	-
Delivery system transformation initiatives trust transfer.....	-	-	-	-	-	-	-
Total other financing sources.....	-	-	-	-	-	-	-
Total revenues and other financing sources.....	436	20,821	6,398	961	1,911	3,821	646
EXPENDITURES AND OTHER FINANCING USES							
Expenditures:							
Judiciary.....	-	-	-	-	-	-	-
Inspector General.....	-	-	-	-	-	-	-
Governor and Lieutenant Governor.....	-	-	-	-	-	-	-
Secretary of the Commonwealth.....	-	-	-	-	-	-	-
Treasurer and Receiver-General.....	-	-	-	-	-	-	-
Attorney General.....	-	-	-	-	37	-	-
District Attorney.....	-	-	-	-	-	-	-
Sheriff's Departments.....	-	-	-	-	-	-	572
Board of Library Commissioners.....	-	-	-	-	-	-	-
Massachusetts Gaming Commission.....	-	-	-	-	-	-	-
Comptroller.....	-	-	-	-	3,027	-	-
Administration and Finance.....	-	-	-	-	-	-	-
Energy and Environmental Affairs.....	-	1,172	3,318	-	-	-	-
Health and Human Services.....	275	-	-	-	-	3,028	-
Massachusetts Department of Transportation.....	-	-	-	-	-	-	-
Executive Office of Education.....	-	-	-	11	-	-	-
Center for Health Information and Analysis.....	-	-	-	-	-	-	-
Public Safety and Homeland Security.....	-	-	-	89	-	305	-
Housing and Economic Development.....	-	-	-	-	-	-	-
Labor and Workforce Development.....	-	-	-	-	-	-	-
Debt service:							
Principal retirement.....	-	-	-	-	-	-	-
Interest and fiscal charges.....	-	-	-	-	-	-	-
Total expenditures.....	275	1,172	3,318	100	3,064	3,333	572
Other financing uses:							
Fringe benefit cost assessment.....	-	-	684	-	20	62	36
Lottery operating reimbursements.....	-	-	-	-	-	-	-
Lottery distributions.....	-	-	-	-	-	-	-
Operating transfers out.....	-	-	155	1	-	33	16
Health safety net trust transfer.....	-	-	-	-	-	-	-
Federal reimbursement transfer out.....	-	-	-	-	-	-	-
Total other financing uses.....	-	-	839	1	20	95	52
Total expenditures and other financing uses.....	275	1,172	4,157	101	3,084	3,428	624
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	161	19,649	2,241	860	(1,173)	393	22
Fund balance (deficit) at beginning of year.....	185	-	2,467	-	3,102	-	-
Fund balance (deficit) at end of year.....	\$ 346	\$ 19,649	\$ 4,708	\$ 860	\$ 1,929	\$ 393	\$ 22

See accountants' review report

Non-Budgeted Other Funds								
Dockside Testing Trust	Commonwealth of Massachusetts Civil Monetary Penalty (CMP)	MBTA State and Local Contribution	Community Preservation Trust	Health Insurance Portability and Accountability Act	State Racing	Division of Professional Licensure Trust	Victims of Drunk Driving Trust	State Athletic Commission
\$ -	\$ -	\$ 799,295	\$ 23,771	\$ -	\$ 337	\$ -	\$ -	\$ 178
-	-	157,283	-	-	740	-	-	-
-	-	-	-	14,023	-	-	-	-
280	1,829	-	-	-	479	10,761	570	40
-	-	-	20	-	437	-	3	-
280	1,829	956,578	23,791	14,023	1,993	10,761	573	218
-	-	-	-	-	-	-	-	-
-	-	-	25,000	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	25,000	-	-	-	-	-
280	1,829	956,578	48,791	14,023	1,993	10,761	573	218
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	956,578	-	-	-	-	-	-
-	-	-	-	-	-	-	494	-
-	-	-	-	-	-	-	104	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	2,038	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	55,008	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	333	-	-	10,400	101	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	38	138
-	-	-	-	-	-	8,375	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	333	956,578	55,008	10,400	2,139	8,375	636	138
-	-	-	29	37	138	1,249	51	20
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	15	269	-	530	29	32
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	44	306	138	1,779	80	52
-	333	956,578	55,052	10,706	2,277	10,154	716	190
280	1,496	-	(6,261)	3,317	(284)	607	(143)	28
-	1,561	-	30,163	5,221	1,351	1,923	2,442	177
\$ 280	\$ 3,057	\$ -	\$ 23,902	\$ 8,538	\$ 1,067	\$ 2,530	\$ 2,299	\$ 205

continued

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

Fiscal Year Ended June 30, 2014
(Amounts in thousands)

	Non-Budgeted Other Funds						
	Organ And Tissues Donor Registration	Department of Fire Services Hazardous Materials Emergency Mitigation Response Recovery Trust	Registers Technological	County Registers Technological	State Election Campaign	Enhanced 911	Counsel for Indigent Salary Enhancement Trust
REVENUES AND OTHER FINANCING SOURCES							
Revenues:							
Taxes.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assessments.....	-	-	-	-	-	-	-
Federal grants and reimbursements.....	-	-	-	-	-	-	-
Departmental.....	164	169	4,386	2,154	-	74,685	67
Miscellaneous.....	-	-	-	-	249	90	-
Total revenues.....	164	169	4,386	2,154	249	74,775	67
Other financing sources:							
Bond premiums (discounts) on special obligation bonds.....	-	-	-	-	-	-	-
Operating transfers in.....	-	-	-	-	-	-	-
Commonwealth care trust transfer.....	-	-	-	-	-	-	-
Health safety net trust transfer.....	-	-	-	-	-	-	-
Medical assistance transfer.....	-	-	-	-	-	-	-
Delivery system transformation initiatives trust transfer.....	-	-	-	-	-	-	-
Total other financing sources.....	-	-	-	-	-	-	-
Total revenues and other financing sources.....	164	169	4,386	2,154	249	74,775	67
EXPENDITURES AND OTHER FINANCING USES							
Expenditures:							
Judiciary.....	-	-	-	-	-	-	-
Inspector General.....	-	-	-	-	-	-	-
Governor and Lieutenant Governor.....	-	-	-	-	-	-	-
Secretary of the Commonwealth.....	-	-	5,846	-	-	-	-
Treasurer and Receiver-General.....	-	-	-	-	-	-	-
Attorney General.....	-	-	-	-	-	-	-
District Attorney.....	-	-	-	-	-	-	-
Sheriff's Departments.....	-	-	-	-	-	5,948	-
Board of Library Commissioners.....	-	-	-	-	-	-	-
Massachusetts Gaming Commission.....	-	-	-	-	-	-	-
Comptroller.....	-	-	-	-	-	-	-
Administration and Finance.....	-	-	-	2,355	-	495	-
Energy and Environmental Affairs.....	-	-	-	-	-	-	-
Health and Human Services.....	-	-	-	-	-	59	-
Massachusetts Department of Transportation.....	-	-	-	-	-	-	-
Executive Office of Education.....	-	-	-	-	-	-	-
Center for Health Information and Analysis.....	-	-	-	-	-	-	-
Public Safety and Homeland Security.....	-	45	-	-	-	61,401	-
Housing and Economic Development.....	-	-	-	-	-	-	-
Labor and Workforce Development.....	-	-	-	-	-	-	-
Debt service:							
Principal retirement.....	-	-	-	-	-	-	-
Interest and fiscal charges.....	-	-	-	-	-	-	-
Total expenditures.....	-	45	5,846	2,355	-	67,903	-
Other financing uses:							
Fringe benefit cost assessment.....	-	-	393	-	-	1,874	-
Lottery operating reimbursements.....	-	-	-	-	-	-	-
Lottery distributions.....	-	-	-	-	-	-	-
Operating transfers out.....	-	1	175	2,000	-	1,818	-
Health safety net trust transfer.....	-	-	-	-	-	-	-
Federal reimbursement transfer out.....	-	-	-	-	-	-	-
Total other financing uses.....	-	1	568	2,000	-	3,692	-
Total expenditures and other financing uses.....	-	46	6,414	4,355	-	71,595	-
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	164	123	(2,028)	(2,201)	249	3,180	67
Fund balance (deficit) at beginning of year.....	315	241	4,410	6,452	1,000	101,989	285
Fund balance (deficit) at end of year.....	\$ 479	\$ 364	\$ 2,382	\$ 4,251	\$ 1,249	\$ 105,169	\$ 352

See accountants' review report

continued

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

Fiscal Year Ended June 30, 2014
(Amounts in thousands)

	Non-Budgeted Other Funds						
	Massachusetts Board of Higher Education Scholar-Internship Match	District Local Technical Assistance	Educational Rewards Grant Program	Massachusetts Nursing & Allied Health Workforce Development Trust	Health Information Technology Trust	Build America Bonds Subsidy Trust	Housing Preservation and Stabilization
REVENUES AND OTHER FINANCING SOURCES							
Revenues:							
Taxes.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assessments.....	-	-	-	-	-	-	-
Federal grants and reimbursements.....	-	-	-	-	60,737	46,617	-
Departmental.....	-	-	-	-	-	-	-
Miscellaneous.....	-	-	-	542	1,875	-	-
Total revenues.....	-	-	-	542	62,612	46,617	-
Other financing sources:							
Bond premiums (discounts) on special obligation bonds.....	-	-	-	-	-	-	-
Operating transfers in.....	-	-	-	250	1,125	-	17,380
Commonwealth care trust transfer.....	-	-	-	-	-	-	-
Health safety net trust transfer.....	-	-	-	-	-	-	-
Medical assistance transfer.....	-	-	-	-	-	-	-
Delivery system transformation initiatives trust transfer	-	-	-	-	-	-	-
Total other financing sources.....	-	-	-	250	1,125	-	17,380
Total revenues and other financing sources.....	-	-	-	792	63,737	46,617	17,380
EXPENDITURES AND OTHER FINANCING USES							
Expenditures:							
Judiciary.....	-	-	-	-	-	-	-
Inspector General.....	-	-	-	-	-	-	-
Governor and Lieutenant Governor.....	-	-	-	-	-	-	-
Secretary of the Commonwealth.....	-	-	-	-	-	-	-
Treasurer and Receiver-General.....	-	-	-	-	-	33,747	-
Attorney General.....	-	-	-	-	-	-	-
District Attorney.....	-	-	-	-	-	-	-
Sheriff's Departments.....	-	-	-	-	-	-	-
Board of Library Commissioners.....	-	-	-	-	-	-	-
Massachusetts Gaming Commission.....	-	-	-	-	-	-	-
Comptroller.....	-	-	-	-	-	-	-
Administration and Finance.....	-	-	-	-	-	-	-
Energy and Environmental Affairs.....	-	-	-	-	-	-	-
Health and Human Services.....	-	-	-	-	61,147	-	-
Massachusetts Department of Transportation.....	-	-	-	-	-	-	-
Executive Office of Education.....	-	-	-	718	-	-	-
Center for Health Information and Analysis.....	-	-	-	-	-	-	-
Public Safety and Homeland Security.....	-	-	-	-	-	-	-
Housing and Economic Development.....	-	-	-	-	-	-	8,467
Labor and Workforce Development.....	-	-	-	-	-	-	-
Debt service:							
Principal retirement.....	-	-	-	-	-	-	-
Interest and fiscal charges.....	-	-	-	-	-	-	-
Total expenditures.....	-	-	-	718	61,147	33,747	8,467
Other financing uses:							
Fringe benefit cost assessment.....	-	-	-	15	46	-	-
Lottery operating reimbursements.....	-	-	-	-	-	-	-
Lottery distributions.....	-	-	-	-	-	-	-
Operating transfers out.....	221	-	-	12	48	12,791	-
Health safety net trust transfer.....	-	-	-	-	-	-	-
Federal reimbursement transfer out.....	-	-	-	-	-	-	-
Total other financing uses.....	221	-	-	27	94	12,791	-
Total expenditures and other financing uses.....	221	-	-	745	61,241	46,538	8,467
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	(221)	-	-	47	2,496	79	8,913
Fund balance (deficit) at beginning of year.....	221	145	48	626	3,506	8,290	-
Fund balance (deficit) at end of year.....	\$ -	\$ 145	\$ 48	\$ 673	\$ 6,002	\$ 8,369	\$ 8,913

See accountants' review report

continued

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

Fiscal Year Ended June 30, 2014
(Amounts in thousands)

	Non-Budgeted Other Funds						
	Off Highway Vehicle Program	Workforce Training Trust Fund	Oil Overcharge	Substance Abuse Services	State Low Income Housing Tax Credit	Human Services Salary Reserve	Victims of Human Trafficking Trust
REVENUES AND OTHER FINANCING SOURCES							
Revenues:							
Taxes.....	\$ -	\$ 21,234	\$ -	\$ -	\$ -	\$ -	\$ -
Assessments.....	-	-	-	-	-	-	-
Federal grants and reimbursements.....	-	-	-	-	-	-	1
Departmental.....	768	-	-	-	-	-	-
Miscellaneous.....	-	-	1	-	-	-	-
Total revenues.....	768	21,234	1	-	-	-	1
Other financing sources:							
Bond premiums (discounts) on special obligation bonds.....	-	-	-	-	-	-	-
Operating transfers in.....	-	-	-	-	-	-	-
Commonwealth care trust transfer.....	-	-	-	-	-	-	-
Health safety net trust transfer.....	-	-	-	-	-	-	-
Medical assistance transfer.....	-	-	-	-	-	-	-
Delivery system transformation initiatives trust transfer.....	-	-	-	-	-	-	-
Total other financing sources.....	-	-	-	-	-	-	-
Total revenues and other financing sources.....	768	21,234	1	-	-	-	1
EXPENDITURES AND OTHER FINANCING USES							
Expenditures:							
Judiciary.....	-	-	-	-	-	-	-
Inspector General.....	-	-	-	-	-	-	-
Governor and Lieutenant Governor.....	-	-	-	-	-	-	-
Secretary of the Commonwealth.....	-	-	-	-	-	-	-
Treasurer and Receiver-General.....	-	-	-	-	-	-	-
Attorney General.....	-	-	-	-	-	-	-
District Attorney.....	-	-	-	-	-	-	-
Sheriff's Departments.....	-	-	-	-	-	-	-
Board of Library Commissioners.....	-	-	-	-	-	-	-
Massachusetts Gaming Commission.....	-	-	-	-	-	-	-
Comptroller.....	-	-	-	-	-	-	-
Administration and Finance.....	-	-	-	-	-	-	-
Energy and Environmental Affairs.....	422	-	-	-	-	-	-
Health and Human Services.....	-	-	-	5,782	-	-	-
Massachusetts Department of Transportation.....	-	-	-	-	-	-	-
Executive Office of Education.....	-	-	-	-	-	-	-
Center for Health Information and Analysis.....	-	-	-	-	-	-	-
Public Safety and Homeland Security.....	-	-	-	-	-	-	-
Housing and Economic Development.....	-	-	-	-	-	-	-
Labor and Workforce Development.....	-	14,889	-	-	-	-	-
Debt service:							
Principal retirement.....	-	-	-	-	-	-	-
Interest and fiscal charges.....	-	-	-	-	-	-	-
Total expenditures.....	422	14,889	-	5,782	-	-	-
Other financing uses:							
Fringe benefit cost assessment.....	27	147	-	15	-	-	-
Lottery operating reimbursements.....	-	-	-	-	-	-	-
Lottery distributions.....	-	-	-	-	-	-	-
Operating transfers out.....	35	15	-	8	9,500	-	-
Health safety net trust transfer.....	-	-	-	-	-	-	-
Federal reimbursement transfer out.....	-	-	-	-	-	-	-
Total other financing uses.....	62	162	-	23	9,500	-	-
Total expenditures and other financing uses.....	484	15,051	-	5,805	9,500	-	-
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	284	6,183	1	(5,805)	(9,500)	-	1
Fund balance (deficit) at beginning of year.....	1,012	18,339	425	5,964	9,500	27	-
Fund balance (deficit) at end of year.....	\$ 1,296	\$ 24,522	\$ 426	\$ 159	\$ -	\$ 27	\$ 1

See accountants' review report

continued

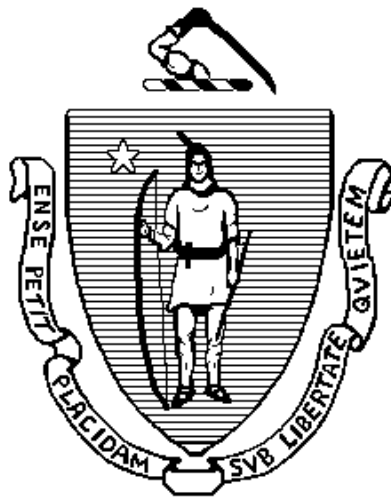
Non-Budgeted Special Revenue Funds
Combining Statements Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis

Fiscal Year Ended June 30, 2014
(Amounts in thousands)

	Non-Budgeted Other Funds						
	Massachusetts AIDS	Trust Fund for the Head Injury Treatment Services	Board of Registration in Medicine	Water Pollution Abatement Projects Administration	Child Care Quality	Convention and Exhibition Center	Firearms Fingerprint Identity Verification Trust
REVENUES AND OTHER FINANCING SOURCES							
Revenues:							
Taxes.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 107,571	\$ -
Assessments.....	-	-	-	7,418	-	-	-
Federal grants and reimbursements.....	-	-	-	-	-	-	-
Departmental.....	-	6,900	8,419	-	238	-	1,777
Miscellaneous.....	103	1	-	-	-	2,308	-
Total revenues.....	103	6,901	8,419	7,418	238	109,879	1,777
Other financing sources:							
Bond premiums (discounts) on special obligation bonds.....	-	-	-	-	-	-	-
Operating transfers in.....	-	-	-	-	-	-	-
Commonwealth care trust transfer.....	-	-	-	-	-	-	-
Health safety net trust transfer.....	-	-	-	-	-	-	-
Medical assistance transfer.....	-	-	-	-	-	-	-
Delivery system transformation initiatives trust transfer.....	-	-	-	-	-	-	-
Total other financing sources.....	-	-	-	-	-	-	-
Total revenues and other financing sources.....	103	6,901	8,419	7,418	238	109,879	1,777
EXPENDITURES AND OTHER FINANCING USES							
Expenditures:							
Judiciary.....	-	-	-	-	-	-	-
Inspector General.....	-	-	-	-	-	-	-
Governor and Lieutenant Governor.....	-	-	-	-	-	-	-
Secretary of the Commonwealth.....	-	-	-	-	-	-	-
Treasurer and Receiver-General.....	-	-	-	-	-	-	-
Attorney General.....	-	-	-	-	-	-	-
District Attorney.....	-	-	-	-	-	-	-
Sheriff's Departments.....	-	-	-	-	-	-	-
Board of Library Commissioners.....	-	-	-	-	-	-	-
Massachusetts Gaming Commission.....	-	-	-	-	-	-	-
Comptroller.....	-	-	-	-	-	-	-
Administration and Finance.....	-	-	-	-	-	49,685	-
Energy and Environmental Affairs.....	-	-	-	3,946	-	-	-
Health and Human Services.....	81	6,660	5,612	-	-	-	-
Massachusetts Department of Transportation.....	-	-	-	-	-	-	-
Executive Office of Education.....	-	-	-	-	919	-	-
Center for Health Information and Analysis.....	-	-	-	-	-	-	-
Public Safety and Homeland Security.....	-	-	-	-	-	-	1,900
Housing and Economic Development.....	-	-	-	-	-	-	-
Labor and Workforce Development.....	-	-	-	-	-	-	-
Debt service:							
Principal retirement.....	-	-	-	-	-	-	-
Interest and fiscal charges.....	-	-	-	-	-	36,722	-
Total expenditures.....	81	6,660	5,612	3,946	919	86,407	1,900
Other financing uses:							
Fringe benefit cost assessment.....	-	177	1,008	945	-	-	-
Lottery operating reimbursements.....	-	-	-	-	-	-	-
Lottery distributions.....	-	-	-	-	-	-	-
Operating transfers out.....	-	55	530	1,556	-	-	-
Health safety net trust transfer.....	-	-	-	-	-	-	-
Federal reimbursement transfer out.....	-	-	-	-	-	-	-
Total other financing uses.....	-	232	1,538	2,501	-	-	-
Total expenditures and other financing uses.....	81	6,892	7,150	6,447	919	86,407	1,900
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	22	9	1,269	971	(681)	23,472	(123)
Fund balance (deficit) at beginning of year.....	78	3,295	6,061	966	1,104	79,731	3,318
Fund balance (deficit) at end of year.....	\$ 100	\$ 3,304	\$ 7,330	\$ 1,937	\$ 423	\$ 103,203	\$ 3,195

See accountants' review report

Non-Budgeted Other Funds		MassDOT			Totals	
Grant	Race	Massachusetts	Central Artery/ Tunnel Project	Motor	(Memorandum only)	
Anticipation	Horse	Transportation	Repairs and	Vehicle	2014	2013
Note	Development	Trust	Maintenance	Safety		
Trust			Trust	Inspection		
				Trust		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,843,300	\$ 1,764,078
-	-	-	-	-	616,906	558,172
582,871	-	43,431	-	-	3,190,513	3,227,276
-	-	424,710	-	31,826	6,070,007	6,029,687
71	-	26,858	2,125	28	132,941	130,170
582,942	-	494,999	2,125	31,854	11,853,667	11,709,383
19,014	-	-	-	-	19,014	-
9,773	375	521,739	-	-	768,994	556,275
-	-	-	-	-	390,079	661,249
-	-	-	-	-	30,000	30,000
-	-	-	-	-	395,025	390,889
-	-	-	-	-	70,732	186,908
28,787	375	521,739	-	-	1,673,844	1,825,321
611,729	375	1,016,738	2,125	31,854	13,527,511	13,534,704
-	-	-	-	-	1,215	1,186
-	-	244	-	-	256	101
-	-	103	-	-	103	103
-	-	-	-	-	6,762	4,706
9,070	-	241	-	-	5,709,502	5,660,556
-	-	-	-	-	10,162	9,093
-	-	-	-	-	2,174	2,560
-	-	918	-	-	10,875	10,518
-	-	-	-	-	2,939	2,966
-	-	-	-	-	22,125	13,336
-	-	-	-	-	3,027	1,715
-	-	9,858	-	-	917,518	1,061,235
-	-	2,924	-	1,889	136,285	119,700
-	-	212	-	-	1,564,135	1,727,570
-	-	930,852	2,446	11,631	945,375	819,126
-	-	-	-	-	991,478	959,607
-	-	-	-	-	1,269	-
-	-	187	-	-	208,647	284,813
-	-	-	-	-	478,153	507,539
-	-	-	-	-	192,802	259,412
170,710	-	-	-	-	186,537	167,340
15,456	-	-	-	-	54,985	66,516
195,236	-	945,539	2,446	13,520	11,446,324	11,679,698
-	-	38,741	-	1,085	115,536	104,799
-	-	-	-	-	95,891	93,517
-	-	-	-	-	921,730	949,428
-	-	3,737	-	18,333	321,884	228,502
-	-	-	-	-	30,000	30,000
404,481	-	-	-	-	404,481	430,022
404,481	-	42,478	-	19,418	1,889,522	1,836,268
599,717	-	988,017	2,446	32,938	13,335,846	13,515,966
12,012	375	28,721	(321)	(1,084)	191,665	18,738
206,871	-	833,330	385,765	10,080	2,078,199	2,059,461
\$ 218,883	\$ 375	\$ 862,051	\$ 385,444	\$ 8,996	\$ 2,269,864	\$ 2,078,199



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Capital Projects Funds

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

General Capital Projects Fund – to account for proceeds of bonds sold to fund the construction or acquisition of capital assets for general Commonwealth purposes, excluding highway construction and projects targeted for specific localities or purposes. Effective September 1, 2009, this fund includes reimbursements to MassDOT for capital projects activity.

Convention and Exhibition Center Capital Fund – to account for proceeds of bonds to finance the construction of a convention center in Boston.

Capital Improvements and Investment Trust Fund – to account for the Commonwealth's reimbursement to cities and towns for expenses incurred for projects for construction and reconstruction of town and county ways.

Highway Capital Projects Fund – to account for the proceeds of bonds sold to finance construction of state highways and to fund the Commonwealth's share of Federally sponsored highway construction.

Federal Highway Construction Program – to account for federal highway construction grants which, with the Commonwealth's required share of matching funds, finance interstate highways and similar projects within Massachusetts to promote a nationwide highway system.

OTHER FUNDS:

This fund accounts for the proceeds of bonds used to finance land and transportation equipment for economic development.

Government Land Bank Capital Projects Fund – to account for proceeds of bonds used to finance the acquisition, holding, protection, maintenance, repair or use of lands and for personnel and the administrative costs of the Massachusetts Development Finance Agency.

LOCAL AID FUND:

Local Aid Capital Projects Fund – to account for the proceeds of bonds sold to finance the construction of correctional facilities, water pollution abatement projects and other local projects in specific localities of the Commonwealth. The fund accounts for the proceeds of bonds to finance improvements to lockup facilities, state police lockup facilities and to finance improvements to County Correctional Facilities, and other monies received by the Department of Conservation and Recreation pertaining to state parks, reservations and recreation areas outside the metropolitan parks district.

MASSACHUSETTS DEPARTMENT OF TRANSPORTATION (MassDOT) FUND:

Central Artery Statewide Road and Bridge Infrastructure Fund – to account for bond proceeds, certain revenues from Registry of Motor Vehicle fees, (net of debt service expenditures) and payments from authorities. The purpose of expenditures of the fund is to meet the estimated additional costs associated with the Central Artery/Ted Williams Tunnel Project and for costs of the statewide road and bridge program.

The following funds have been enacted in legislation but were inactive in FY14 and are not presented in this report:

Capital Investment Trust Fund – to account for a transfer from the General Fund to finance appropriated items of a capital nature pursuant to sections 2E and 107 of Chapter 88 of the Acts of 1997.

Transportation Deferred Maintenance Trust Fund – to account for funds transferred from various sources by the Secretary of Administration and Finance to design, construct, maintain and repair the Commonwealth's roads and bridges.

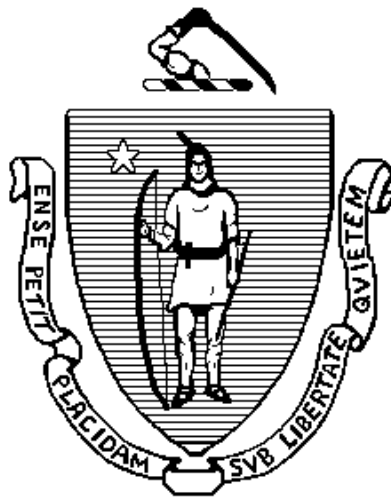
Capital Projects Funds
Combining Statements Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis

Fiscal Year Ended June 30, 2014
(Amounts in thousands)

	General Capital Projects	Convention and Exhibition Center Capital	Capital Improvements and Investment Trust	Highway Capital Projects
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Federal grants and reimbursements.....	\$ 16,742	\$ -	\$ -	\$ -
Departmental.....	-	-	-	-
Miscellaneous.....	1,313	-	-	327
Total revenues.....	18,055	-	-	327
Other financing sources:				
Issuance of general obligation bonds	979,662	-	259	510,675
Bond premiums (discounts) on general obligation bonds.....	30,828	-	-	16,550
Issuance of special obligation bonds	-	-	-	667,850
Bond premiums (discounts) on special obligation bonds.....	-	-	-	36,153
Issuance of current refunding bonds.....	45,622	-	1,563	69,768
Issuance of advance refunding bonds.....	148,445	-	-	162,364
Bond premiums (discounts) on advance refunding bonds.....	33,780	-	-	33,577
Federal reimbursement transfer in.....	-	-	-	-
State share of federal highway construction.....	-	-	-	-
Total other financing sources.....	1,238,337	-	1,822	1,496,937
Total revenues and other financing sources.....	1,256,392	-	1,822	1,497,264
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Judiciary.....	15,262	-	-	-
Governor and Lieutenant Governor.....	121	-	-	-
Secretary of the Commonwealth.....	1,530	-	-	-
Treasurer and Receiver-General.....	13,486	-	-	1,665
Auditor of the Commonwealth.....	1,089	-	-	-
Attorney General.....	-	-	-	229
Sheriff's Departments.....	6,633	-	-	-
Board of Library Commissioners.....	19,999	-	-	-
Comptroller.....	2,429	-	-	-
Administration and Finance.....	592,013	-	-	2,195
Energy and Environmental Affairs.....	197,493	-	105	10,432
Health and Human Services.....	42,052	-	-	-
Massachusetts Department of Transportation.....	166,504	-	-	1,065,448
Executive Office of Education.....	22,147	-	-	-
Public Safety and Homeland Security.....	45,340	-	-	-
Housing and Economic Development.....	213,078	-	-	24,809
Labor and Workforce Development.....	258	-	-	-
Total expenditures.....	1,339,434	-	105	1,104,778
Other financing uses:				
Payments to advance refunding bonds escrow.....	182,225	-	-	195,913
Principal on current refundings.....	45,622	-	1,563	69,768
Fringe benefit cost assessment.....	11,859	-	-	22,761
State share of federal highway construction.....	-	-	-	62,105
Total other financing uses.....	239,706	-	1,563	350,547
Total expenditures and other financing uses.....	1,579,140	-	1,668	1,455,325
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	(322,748)	-	154	41,939
Fund balance (deficit) at beginning of year.....	(417,392)	8,393	(154)	(467,027)
Fund balance (deficit) at end of year.....	\$ (740,140)	\$ 8,393	\$ -	\$ (425,088)

See accountants' review report

Federal Highway Construction Program	Government Land Bank Capital Projects	Local Aid Capital Projects	MassDOT		
			Central Artery Statewide Road and Bridge Infrastructure	Totals (Memorandum only)	
				2014	2013
\$ 13,997	\$ -	\$ -	\$ -	\$ 30,739	\$ 18,686
3,272	-	-	208	3,480	2,544
-	-	-	70	1,710	321
17,269	-	-	278	35,929	21,551
-	1,108	345	-	1,492,049	1,470,474
-	-	-	-	47,378	42,241
-	-	-	-	667,850	-
-	-	-	-	36,153	-
-	-	1,270	41,112	159,335	230,539
-	-	166,652	-	477,461	-
-	-	17,563	-	84,920	(742)
404,481	-	-	-	404,481	430,022
62,105	-	-	-	62,105	38,619
466,586	1,108	185,830	41,112	3,431,732	2,211,153
483,855	1,108	185,830	41,390	3,467,661	2,232,704
-	-	-	-	15,262	9,785
-	-	-	-	121	-
-	-	-	-	1,530	1,528
-	-	-	-	15,151	13,990
-	-	-	-	1,089	988
18	-	-	-	247	471
-	-	-	-	6,633	3,626
-	-	-	-	19,999	16,500
-	-	-	-	2,429	674
101	823	47	-	595,179	548,636
378	-	7	-	208,415	166,800
9	-	-	-	42,061	28,592
459,273	-	-	1,892	1,693,117	1,460,265
-	-	-	-	22,147	28,774
-	-	-	-	45,340	36,691
-	-	-	-	237,887	245,689
-	-	-	-	258	2,068
459,779	823	54	1,892	2,906,865	2,565,077
-	-	184,215	-	562,353	-
-	-	1,270	41,112	159,335	229,796
7,528	-	-	-	42,148	44,615
-	-	-	-	62,105	38,619
7,528	-	185,485	41,112	825,941	313,030
467,307	823	185,539	43,004	3,732,806	2,878,107
16,548	285	291	(1,614)	(265,145)	(645,403)
3,558	(414)	(327)	37,311	(836,052)	(190,649)
\$ 20,106	\$ (129)	\$ (36)	\$ 35,697	\$ (1,101,197)	\$ (836,052)



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Supplemental Information



Calculation of Transfers – Stabilization and Tax Reduction Funds
Non-Tax Revenue Initiatives
Schedule of Post Employment Benefits – Last Six Fiscal Years

See review report

Calculation of Transfers: Stabilization Fund

June 30, 2014
(Amounts are in thousands)

This statement is prepared on the statutory basis of accounting pursuant to General Laws Chapter 29, Section 5c, as amended by Section 155 of Chapter 139 of the Acts of 2012, and subsequent acts, which superseded certain parts of Section 5c. 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.

	General	Children and Families Protection	Commonwealth Transportation	Massachusetts Tourism	Local Capital Projects	Manufacturing	Community College	Total
Budgeted Fund Undesignated Balances.....	\$ 167,787	\$ 1	\$ (102,495)	\$ 22,963	\$ (20,425)	\$ (12,608)	\$ (32,444)	\$ 22,779
Fund Balance Deficit Elimination Transfers Per Sec. 5c of Ch. 29	(148,018)	-	102,495	(19,954)	20,425	12,608	32,444	-
Fund Balances after Deficit Elimination Transfers (Consolidated Net Surplus).....	19,769	1	-	3,009	-	-	-	22,779
Year-end Transfers to the General Fund to Fund Statutory Allocations.....	3,010	(1)	-	(3,009)	-	-	-	-
<u>Disposition of Consolidated Net Surplus per Sec. 242(a) of Chapter 165 of the Acts of 2014, as Amended:</u>								
To the Massachusetts Life Sciences Investment Fund.....	(11,390)	-	-	-	-	-	-	(11,390)
To the Massachusetts Community Preservation Trust Fund.....	(11,390)	-	-	-	-	-	-	(11,390)
Remaining Consolidated Net Surplus to be Deposited in Stabilization Fund per Sec. 242(a) of Ch. 165 of the Acts of 2014, as Amended.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Stabilization Balance Reconciliation:

Balance as of July 1, 2013.....	1,556,657
Capital Gains Tax Transfers to Stabilization Fund during FY 2014 per Chapter 29, Section 5G.....	45,457
Judgments and Settlements In Excess of \$10 Million Transferred to Stabilization Fund per Ch. 29, Section 2H.....	414,310
Investment income, certain tax revenues and other recoveries.....	6,414
Change in Market Value from General Fund per Sec.172(b) of Ch. 38 of the Acts of 2013.....	1,712
Less Transfers from Stabilization Fund:	
Investment Income to General Fund per Sec.172(b) of Ch. 38 of the Acts of 2013.....	(7,259)
5% Capital Gains Tax Transfer to the State Retiree Benefits Trust Fund per Chapter 29, Section 5G.....	(2,273)
5% Capital Gains Tax Transfer to the State Pension Liability Fund per Chapter 29, Section 5G.....	(2,273)
Judgments and Settlements In Excess of \$10 million Transferred to the General Fund per Sec. 25 of Ch. 237 of the Acts of 2014.....	(414,310)
To General Fund Per Sec. 172(a) of Ch. 38 of the Acts of 2013.....	(350,000)
Total Transfers from Stabilization Fund during FY 2014.....	(776,115)
Remaining Consolidated Net Surplus Deposited in Stabilization Fund, per Calculation Above.....	<u>-</u>
Stabilization Fund Balance as of June 30, 2014.....	<u>\$ 1,248,435</u>

Calculation Of Transfers: Tax Reduction Fund

June 30, 2014
(Amounts in thousands)

This statement is prepared pursuant to Chapters 29 Sections 2H and 2I 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.....	\$ 1,248,435
Allowable Stabilization Fund balance (per Schedule B).....	<u>5,320,973</u>
Stabilization Fund excess, if any, transferable to Tax Reduction Fund.....	<u>\$ -</u>

Part 2: Status of Stabilization Fund after transfers:

Stabilization Fund balance.....	\$ 1,248,435
Transfer to Tax Reduction Fund.....	<u>-</u>
Stabilization Fund balance after transfer to Tax Reduction Fund.....	<u>\$ 1,248,435</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

FY2014 Tax Revenues By Revenue Class

June 30, 2014
(Amounts in thousands)

Alcoholic beverages.....	\$ 77,735
Banks: financial institutions.....	135,774
Cigarette.....	520,668
Cigarette excise - Commonwealth Care.....	135,750
Cigarette inventory - Commonwealth Care.....	3,611
Corporations.....	2,049,051
Deeds.....	223,080
Estate and inheritance.....	401,512
Health care coverage penalty - Commonwealth Care.....	23,396
Income.....	13,201,591
Insurance.....	315,776
Motor and special fuels.....	732,207
Public utilities.....	9,795
Room occupancy.....	208,488
Sales and use.....	5,518,580
Club alcoholic beverages.....	1,082
Motor vehicle excise.....	66
Convention center surcharges.....	14,852
Community preservation.....	23,771
Satellite.....	12,166
State racing - Mass Gaming Commission.....	1,308
Beano.....	1,578
Raffles and bazaars.....	1,031
Boxing.....	176
DOI excess and surplus lines.....	31,052
UI surcharge.....	21,234
<hr/>	
FY 2014 state tax revenue.....	\$ 23,665,330

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. The differences are due to 2/5ths of Beano revenue and the health care coverage penalty in the Commonwealth Care Fund, both of which are recognized on the statutory basis of accounting but are not accounted for on the schedule of tax collections prepared by the Department of Revenue.

Schedule B
Calculation of Cap on Stabilization Fund

June 30, 2014
(Amounts in thousands)

Total budgeted revenues and other financial resources pertaining to the budgeted funds.....	\$	37,230,145
Elimination of budgetary interfund activity exclusive of fund closure (per Schedule C).....		<u>(1,756,990)</u>
Budgeted revenues and other financial resources pertaining to the budgeted funds.....		<u>35,473,155</u>
Allowable Stabilization Fund balance, 15% of budgeted revenue.....	\$	<u><u>5,320,973</u></u>

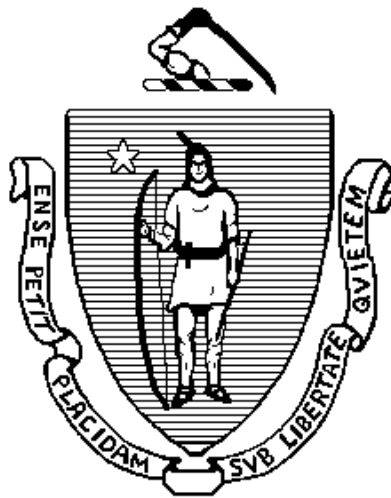
Calculation of Stabilization Fund Cap as defined by Massachusetts General Laws Chapter 29 section 2H.

Schedule C

Detail of Elimination of Budgetary Inter Fund Activity

June 30, 2014
(Amounts in thousands)

Adjustments to revenues :	
Transfer to the Intragovernmental Service Fund	\$ (339,715)
Adjustments to other financing sources and uses:	
Fringe benefit cost assessments.....	(8,291)
Transfer from the Intragovernmental Service Fund to the General Fund.....	(3,478)
RMV license plates.....	(3,011)
Transfer to Stabilization Fund from General Fund.....	(459,767)
Transfer to fund the General Fund consolidated net surplus calculation.....	(3,010)
Transfer from Stabilization Fund to the General Fund.....	(771,569)
Other fund deficit support.....	(167,972)
Other.....	(177)
Elimination of budgetary interfund activity.....	<u>\$ (1,756,990)</u>



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Non-Tax Revenue Initiatives

June 30, 2014
(Amounts in thousands)

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

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 FY14 were (amounts in thousands):

Department Collectors	Collections	Fees
Collecto, Inc.....	\$ 3,455	\$ 414
Delta.....	1,379	210
Allen Daniels.....	1,162	182
Premier Credit of North America, LLC.....	242	47
Financial Asset Management Systems, Inc.....	119	15
Linebarger, Goggan, Blair & Sampson LLP.....	69	11
Total.....	<u>\$ 6,426</u>	<u>\$ 879</u>

Under the same program, the following amounts were collected and fees paid for the Institutions of Higher Education (these figures are as subset of the above) (amounts in thousands):

Department Collectors	Collections	Fees
Collecto, Inc.....	\$ 2,617	\$ 342
Delta.....	1,061	160
Allen Daniels.....	675	103
Premier Credit of North America, LLC.....	157	29
Total.....	<u>\$ 4,510</u>	<u>\$ 634</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 FY14, the following amounts were generated (amounts in thousands):

Gross revenue maximization realized.....	\$ 1,258,122
Amounts credited to the federal government.....	(52,714)
Contractor payments.....	<u>(17,343)</u>
Net revenue maximization realized.....	<u>\$ 1,188,065</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 FY14, the following amounts were generated (amounts in thousands):

State expenditures avoided.....	\$ 2,695,182
Amounts credited to the federal government in provider offsets.....	(12,400)
Contractor payments.....	<u>(19,855)</u>
Net cost savings/avoidance.....	<u>\$ 2,662,927</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. FY14 activity (amounts in thousands):

Total Commonwealth intercepts.....	\$ 11,548
Amounts included above that were intercepted on behalf of the Institutions of Higher Education.....	\$ 6,467

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, 2014*..	\$ 21,581,133	\$ 30,679,600	\$ 9,098,467	70.3%	\$ 5,344,510	170.2%
Actuarial Valuation as of January 1, 2013....	20,317,389	29,385,442	9,068,053	69.1%	5,183,195	175.0%
Actuarial Valuation as of January 1, 2012....	20,507,644	27,784,731	7,277,087	73.8%	4,922,388	147.8%
Actuarial Valuation as of January 1, 2011....	21,244,900	26,242,776	4,997,876	81.0%	4,808,250	103.9%
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%
Teachers' Retirement System						
Actuarial Valuation as of January 1, 2014*..	\$ 22,940,196	\$ 40,741,695	\$ 17,801,499	56.3%	\$ 5,962,650	298.6%
Actuarial Valuation as of January 1, 2013....	21,787,470	39,135,218	17,347,748	55.7%	5,783,294	300.0%
Actuarial Valuation as of January 1, 2012....	22,141,475	36,483,027	14,341,552	60.7%	5,655,353	253.6%
Actuarial Valuation as of January 1, 2011....	23,117,952	34,890,991	11,773,039	66.3%	5,558,311	211.8%
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%

* The actuarial valuations as of January 1, 2014 are prepared in conformity with Governmental Accounting Standards Board (GASB) Statements in effect prior to GASB Statement No 67, *Financial Reporting for Pension Plans - an Amendment of GASB Statement No. 25*. Actuarial valuations which comply with Statement No. 67 will be presented in the fiscal 2014 CAFR.

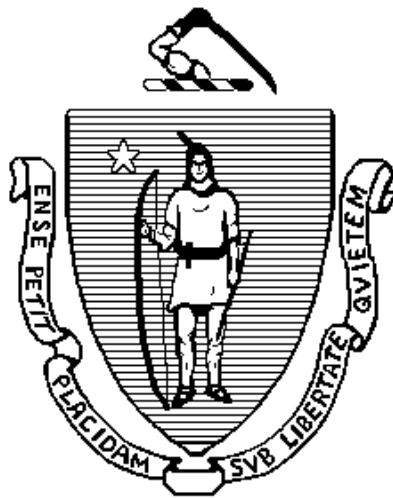
For a complete analysis of the Commonwealth's actuarial valuation report, please go to <http://www.mass.gov/perac>.

Alternatively, copies of the Commonwealth's actuarial valuation 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, 2014....	\$ 511,200	\$ 15,670,200	\$ 15,159,000	3.3%	\$ 5,344,510	283.6%
Actuarial Valuation as of January 1, 2013....	406,700	15,784,100	15,377,400	2.6%	5,183,195	296.7%
Actuarial Valuation as of January 1, 2012...	360,500	16,659,400	16,298,900	2.2%	4,922,388	331.1%
Actuarial Valuation as of January 1, 2011...	350,500	16,568,600	16,218,100	2.1%	4,808,250	337.3%
Actuarial Valuation as of January 1, 2010....	310,000	15,166,000	14,856,000	2.0%	4,711,563	315.3%
Actuarial Valuation as of January 1, 2009....	273,500	15,305,000	15,031,500	1.8%	4,712,655	319.0%

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. Telephone number: (617) 727-5000.



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Statistical Section



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, 2014
(Amounts in millions)

	2014	% Total	2013	% Total	2012	% Total	2011	% Total
Taxes.....	\$ 23,665	43.6	\$ 22,396	43.9	\$ 21,384	42.7	\$ 20,776	38.2
Federal reimbursements.....	9,265	17.1	9,078	17.8	8,931	17.8	10,151	18.6
Federal grants.....	2,328	4.3	2,396	4.7	2,655	5.3	3,097	5.7
Lotteries.....	5,050	9.3	5,043	9.9	4,941	9.9	4,632	8.5
Assessments.....	1,079	2.0	1,018	2.0	986	2.0	960	1.8
Motor vehicle licenses and registrations.....	495	0.9	487	1.0	474	0.9	497	0.9
Fees, investment earnings, etc.....	4,254	7.9	3,860	7.5	3,582	7.2	3,462	6.4
Proceeds of general and special obligation bonds and related premiums.....	2,258	4.2	1,512	3.0	1,921	3.8	2,306	4.2
Proceeds of refunding bonds.....	722	1.3	231	0.5	480	1.0	947	1.7
Other interfund transfers.....	5,109	9.4	4,982	9.8	4,731	9.4	7,618	14.0
Total revenues and other financing sources.....	<u>\$ 54,225</u>	<u>100.0</u>	<u>\$ 51,003</u>	<u>100.0</u>	<u>\$ 50,085</u>	<u>100.0</u>	<u>\$ 54,446</u>	<u>100.0</u>

2010	% Total	2009	% Total	2008	% Total	2007	% Total	2006	% Total	2005	% Total
\$ 18,792	40.3	\$ 18,513	38.8	\$ 21,009	44.6	\$ 19,849	44.4	\$ 18,593	43.9	\$ 17,192	40.7
9,374	20.1	9,139	19.1	6,937	14.7	6,830	15.3	6,307	14.9	6,018	14.3
3,134	6.7	2,646	5.5	2,065	4.4	1,989	4.5	2,046	4.8	1,996	4.7
4,629	9.9	4,649	9.7	4,915	10.4	4,670	10.4	4,739	11.2	4,705	11.2
971	2.1	894	1.9	806	1.7	794	1.8	793	1.9	785	1.9
463	1.0	383	0.8	376	0.8	374	0.8	361	0.9	401	1.0
2,830	6.0	2,800	5.9	3,200	6.8	2,450	5.6	2,891	6.8	2,945	6.8
1,672	3.6	2,141	4.5	1,306	2.8	1,604	3.6	1,838	4.3	1,354	3.2
538	1.2	390	0.8	-	0.0	1,531	3.4	633	1.5	1,385	3.3
4,233	9.1	6,197	13.0	6,538	13.9	4,605	10.3	4,145	9.8	5,409	12.8
<u>\$ 46,636</u>	<u>100.0</u>	<u>\$ 47,752</u>	<u>100.0</u>	<u>\$ 47,152</u>	<u>100.0</u>	<u>\$ 44,696</u>	<u>100.0</u>	<u>\$ 42,346</u>	<u>100.0</u>	<u>\$ 42,190</u>	<u>100.0</u>

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

June 30, 2014
(Amounts in millions)

	2014	% Total	2013	% Total	2012	% Total	2011	% Total
Income.....	\$ 13,202	55.8	\$ 12,831	57.3	\$ 11,911	55.7	\$ 11,576	55.7
Sales and use.....	5,519	23.3	5,184	23.1	5,079	23.8	4,921	23.7
Corporations.....	2,049	8.7	1,822	8.1	1,771	8.3	1,951	9.4
Motor fuels.....	732	3.1	651	2.9	662	3.1	661	3.2
Cigarette.....	521	2.2	440	2.0	451	2.1	454	2.2
Insurance.....	316	1.3	373	1.7	318	1.5	296	1.4
Estate and inheritance.....	402	1.7	313	1.4	293	1.4	310	1.5
Banks: Financial Institutions*.....	136	0.6	78	0.3	267	1.2	(11)	-0.1
Alcoholic beverages.....	79	0.3	77	0.3	77	0.4	73	0.4
Other.....	711	3.0	625	2.7	555	2.5	545	2.6
Total taxes.....	<u>\$ 23,665</u>	<u>100.0</u>	<u>\$ 22,396</u>	<u>100.0</u>	<u>\$ 21,384</u>	<u>100.0</u>	<u>\$ 20,776</u>	<u>100.0</u>

*Negative amounts in FY11 are primarily due to changes in corporate tax laws, which resulted in some financial institutions tax being classified as corporations tax.

2010	% Total	2009	% Total	2008	% Total	2007	% Total	2006	% Total	2005	% Total
\$ 10,110	53.8	\$ 10,584	57.2	\$ 12,484	59.4	\$ 11,400	57.4	\$ 10,483	56.4	\$ 9,690	56.4
4,626	24.6	3,880	21.0	4,098	19.5	4,076	20.5	4,009	21.6	3,891	22.6
1,600	8.5	1,549	8.4	1,512	7.2	1,588	8.0	1,391	7.5	1,063	6.2
655	3.5	654	3.5	673	3.2	676	3.4	672	3.6	685	4.0
456	2.4	457	2.5	437	2.1	438	2.2	435	2.3	424	2.5
285	1.5	309	1.7	369	1.8	369	1.9	397	2.1	373	2.2
221	1.2	260	1.4	254	1.2	250	1.3	196	1.1	255	1.5
235	1.3	243	1.3	548	2.6	341	1.7	350	1.9	199	1.2
72	0.4	73	0.4	72	0.3	71	0.4	70	0.4	69	0.4
532	2.8	504	2.6	562	2.7	640	3.2	590	3.1	543	3.3
<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>	<u>\$ 18,593</u>	<u>100.0</u>	<u>\$ 17,192</u>	<u>100.0</u>

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

June 30, 2014
(Amounts in millions)

	2014	% Total	2013	% Total	2012	% Total	2011	% Total
Legislature.....	\$ 56	0.1	\$ 57	0.1	\$ 58	0.1	\$ 58	0.1
Judiciary.....	831	1.5	802	1.5	780	1.6	788	1.5
Inspector General.....	6	-	6	-	3	-	3	-
Governor and Lieutenant Governor.....	5	-	6	-	7	-	5	-
Secretary of the Commonwealth.....	53	0.1	50	0.1	43	0.1	46	0.1
Treasurer and Receiver-General.....	5,928	10.9	5,867	11.3	5,847	11.7	5,610	10.6
Auditor of the Commonwealth.....	19	-	19	-	18	-	17	-
Attorney General.....	53	0.1	50	0.1	53	0.1	51	0.1
Ethics Commission.....	2	-	2	-	2	-	2	-
District Attorney.....	108	0.2	108	0.2	101	0.2	97	0.2
Office of Campaign and Political Finance.....	1	-	1	-	1	-	3	-
Sheriff's Departments.....	571	1.0	543	1.0	532	1.1	511	1.0
Disabled Persons Protection Commission.....	2	-	2	-	2	-	2	-
Board of Library Commissioners.....	45	0.1	41	0.1	34	0.1	34	0.1
Massachusetts Gaming Commission.....	23	-	14	-	1	-	-	-
Comptroller.....	18	-	14	-	13	-	14	-
Administration and Finance.....	8,862	16.3	8,665	16.8	7,456	14.9	7,206	13.7
Energy and Environmental Affairs.....	561	1.0	490	0.9	456	0.9	482	0.9
Housing and Community Development.....	-	-	-	-	-	-	-	-
Health and Human Services.....	18,649	34.1	17,447	33.7	17,632	35.2	17,737	33.5
Transportation and Public Works.....	-	-	-	-	-	-	-	-
Massachusetts Department of Transportation....	2,914	5.4	2,439	4.7	2,323	4.6	2,278	4.3
Executive Office of Education.....	3,130	5.8	2,952	5.7	3,030	6.0	3,225	6.1
Center for Health Information and Analysis.....	25	-	9	-	-	-	-	-
Public Safety and Homeland Security.....	1,313	2.4	1,324	2.6	1,236	2.5	1,172	2.2
Housing and Economic Development	1,251	2.3	1,214	2.3	1,203	2.4	1,283	2.4
Labor and Workforce Development.....	237	0.4	300	0.6	390	0.8	428	0.8
Post employment benefits.....	2,050	3.7	1,967	3.8	1,892	3.8	1,839	3.5
Debt service.....	2,375	4.3	2,351	4.5	2,272	4.5	2,128	4.0
Payments to advance refunding escrow								
agent/Principal on current refunding.....	722	1.3	230	0.4	388	0.8	540	1.0
Other interfund transfers.....	4,913	9.0	4,775	9.2	4,352	8.7	7,337	13.9
Total expenditures and other financing uses.....	<u>\$ 54,723</u>	<u>100.0</u>	<u>\$ 51,745</u>	<u>100.0</u>	<u>\$ 50,125</u>	<u>100.0</u>	<u>\$ 52,896</u>	<u>100.0</u>

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

For fiscal years 2009 to 2014, this schedule reflects Budgeted, Non-Budgeted and Capital Projects expenditures and other financing uses only.

2010	% Total	2009	% Total	2008	% Total	2007	% Total	2006	% Total	2005	% Total
\$ 59	0.1	\$ 60	0.1	\$ 58	0.1	\$ 59	0.2	\$ 55	0.1	\$ 54	0.1
788	1.7	814	1.6	831	1.7	788	1.8	672	1.6	634	1.5
4	-	3	-	3	-	3	-	3	-	4	-
5	-	8	-	9	-	5	-	5	-	5	-
54	0.1	53	0.1	53	0.1	55	0.1	45	0.1	50	0.1
5,483	11.5	6,043	12.2	5,640	11.8	5,267	11.7	5,635	13.6	5,760	13.7
17	-	20	-	19	-	18	-	19	-	18	-
53	0.1	57	0.1	56	0.1	52	0.1	49	0.1	45	0.1
2	-	2	-	2	-	2	-	1	-	2	-
96	0.2	104	0.2	104	0.2	96	0.2	88	0.2	82	0.2
1	-	1	-	1	-	2	-	1	-	1	-
378	0.8	295	0.6	296	0.7	275	0.6	251	0.6	226	0.5
2	-	3	-	2	-	2	-	2	-	2	-
34	0.1	48	0.1	46	0.1	42	0.1	49	0.1	47	0.1
-	-	-	-	-	-	-	-	-	-	-	-
15	-	14	-	14	-	14	-	14	0.0	21	-
7,040	14.9	6,892	14.2	7,059	14.8	7,043	15.7	6,601	16.1	6,235	14.8
529	1.1	526	1.1	473	1.0	450	1.0	390	0.9	346	0.8
-	-	-	-	-	-	509	1.1	659	1.6	597	1.4
16,044	33.8	16,468	33.3	15,504	32.5	14,456	32.2	13,539	32.6	13,383	31.8
509	1.1	1,689	3.4	1,378	2.9	1,404	3.1	1,376	3.3	1,569	3.7
1,542	3.2	-	-	-	-	-	-	-	-	-	-
3,184	6.7	3,390	6.9	2,989	6.3	2,936	6.5	2,726	6.6	2,250	5.4
-	-	-	-	-	-	-	-	-	-	-	-
1,308	2.7	1,456	2.9	1,381	2.9	1,253	2.8	1,180	2.8	1,111	2.6
1,245	2.6	981	2.0	857	1.8	508	1.1	323	0.8	299	0.7
403	0.8	331	0.7	274	0.6	67	0.1	-	-	-	-
1,749	3.7	1,314	2.7	1,399	2.9	1,335	3.0	1,275	3.1	1,217	2.9
2,117	4.5	2,145	4.3	2,239	4.7	2,352	5.2	2,028	4.9	1,719	4.1
538	1.1	-	-	-	-	1,531	3.4	633	1.5	1,153	2.7
4,373	9.2	6,456	13.1	5,403	11.3	4,383	9.8	3,887	9.4	5,197	12.4
<u>\$ 47,572</u>	<u>100.0</u>	<u>\$ 49,393</u>	<u>100.0</u>	<u>\$ 47,683</u>	<u>100.0</u>	<u>\$ 44,907</u>	<u>100.0</u>	<u>\$ 41,506</u>	<u>100.0</u>	<u>\$ 42,027</u>	<u>100.0</u>

**Ten-Year Schedule of Budgeted Funds Expenditures and Other Financing Uses By
Major Program Category**
June 30, 2014
(Amounts in millions)

	2014	2013	2012	2011	2010	2009	2008*	2007	2006	2005
Direct local aid.....	\$ 5,292	\$ 5,116	\$ 4,929	\$ 4,785	\$ 4,837	\$ 4,724	\$ 5,040	\$ 5,033	\$ 4,619	\$ 4,477
Medicaid**.....	11,901	10,800	10,431	10,237	9,287	8,537	8,104	7,413	6,726	5,857
Other Health and Human Services.....	4,980	4,769	4,711	4,615	4,616	4,970	5,014	-	-	-
Public Assistance.....	-	-	-	-	-	-	-	1,258	1,129	1,095
Elementary and Secondary Education.....	515	489	436	349	358	496	486	-	-	-
Higher Education.....	1,092	991	937	943	846	1,036	1,085	1,116	988	915
Early education and care.....	510	483	494	515	513	560	550	-	-	-
Public Safety and Homeland Security.....	1,010	960	930	905	1,053	1,224	1,265	-	-	-
Energy and Environmental Affairs.....	215	202	187	186	202	216	227	-	-	-
MBTA and regional transit authorities.....	-	-	-	-	-	-	-	52	50	49
Post employment benefits.....	2,050	1,967	1,892	1,839	1,749	1,314	1,399	1,335	1,275	1,217
Group health insurance.....	1,403	1,278	1,206	1,130	1,064	973	853	1,022	964	846
Debt service.....	2,133	2,117	1,923	1,664	1,860	1,891	1,868	2,085	1,666	1,581
Major programs.....	31,101	29,172	28,076	27,168	26,385	25,941	25,891	19,314	17,417	16,037
Other program expenditures.....	3,671	3,007	2,899	2,851	2,999	2,762	2,739	8,343	7,777	7,247
Interfund transfers and other financing uses.....	2,882	3,172	2,515	5,520	1,810	3,867	4,405	1,819	1,749	2,726
Total expenditures and other financing uses.....	\$ 37,654	\$ 35,351	\$ 33,490	\$ 35,539	\$ 31,194	\$ 32,570	\$ 33,035	\$ 29,476	\$ 26,943	\$ 26,010

* Fiscal years 2008 through 2014 presentation aligned with Bond Official Statements - Commonwealth Expenditures - Budgeted Operating Funds

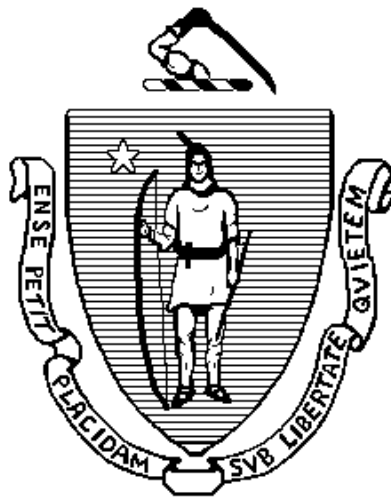
** Exclusive of Non-Budgeted Medicaid spending from FY05 through FY2007 within the Health Care Quality Improvement Fund, totaling \$292 million, \$292 million and \$290 million in FY05 through FY07, respectively.

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

Fiscal Year Ended June 30, 2014
(Amounts in millions)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General obligation bonds.....	\$19,387	\$19,140	\$18,852	\$18,517	\$17,683	\$17,052	\$ 16,085	\$ 16,033	\$ 15,393	\$14,492
Grant anticipation notes*.....	531	449	610	766	991	1,134	1,536	1,666	1,789	1,907
Special obligation bonds.....	2,292	1,924	1,972	1,592	1,053	1,079	1,113	1,249	1,279	1,458
Commonwealth long-term bonds.....	<u>\$ 22,210</u>	<u>\$ 21,513</u>	<u>\$ 21,434</u>	<u>\$ 20,875</u>	<u>\$ 19,727</u>	<u>\$ 19,265</u>	<u>\$ 18,734</u>	<u>\$ 18,948</u>	<u>\$ 18,461</u>	<u>\$17,857</u>

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



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HIGHER EDUCATION NON- APPROPRIATED ACTIVITY

The Commonwealth's Public Institutions of Higher Education are allowed, by their enabling statutes, to collect, retain, and expend certain fees, rents, donations and other types of revenue. These financial resources are important elements in 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 University Systems – The State College and University Systems include the three state colleges, and six state universities, which provide four-year post-secondary education programs. These include:

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

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, 2014
(Amounts in thousands)

	University of Massachusetts	State Universities and Colleges	Community Colleges	Totals	
				2014	2013
Revenues and other financing sources					
Federal grants and reimbursements.....	\$ 379,346	\$ 53,660	\$ 193,325	\$ 626,331	\$ 609,993
Departmental revenue.....	1,182,978	424,659	360,068	1,967,705	1,977,642
Miscellaneous revenue.....	1,092,832	395,057	307,111	1,795,000	1,744,500
Total revenues and other financing sources.....	2,655,156	873,376	860,504	4,389,036	4,332,135
Expenditures and other financing uses (by MMARS subsidiary):					
AA Regular employee compensation.....	621,159	148,649	184,172	953,980	1,002,086
BB Regular employee related expenses.....	22,698	4,036	3,930	30,664	30,865
CC Special employees and contracted services.....	240,146	116,573	209,805	566,524	567,081
DD Pension and insurance.....	168,011	35,001	36,055	239,067	247,977
EE Administrative expenditures.....	109,489	68,607	36,802	214,898	369,656
FF Facility operational supplies.....	147,853	13,777	25,194	186,824	211,750
GG Energy costs and space rental.....	146,066	28,931	25,290	200,287	196,298
HH Consultant services.....	235,208	12,494	19,110	266,812	242,496
JJ Operational services.....	37,133	30,296	11,488	78,917	81,367
KK Equipment purchase.....	31,917	5,880	9,490	47,287	38,437
LL Equipment leases, maintenance and repair.....	25,063	7,773	6,028	38,864	35,901
MM Purchased client services and programs.....	29,025	2,593	4,065	35,683	38,052
NN Construction and improvements.....	101,594	47,813	22,799	172,206	206,189
PP Aid to local governments.....	1	78	427	506	386
RR Benefit programs.....	343,232	92,570	199,390	635,192	471,212
SS Debt payment.....	10,781	2,885	4,010	17,676	13,952
TT Loans and special payments.....	241,925	140,222	26,499	408,646	359,945
UU Information technology (IT) expenses	92,345	25,288	26,609	144,242	134,213
Total expenditures and other financing uses.....	2,603,646	783,466	851,163	4,238,275	4,247,863
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses.....	51,510	89,910	9,341	150,761	84,272
Fund balance at beginning of year.....	843,214	352,742	278,555	1,474,511	1,390,239
Fund balance at end of year.....	\$ 894,724	\$ 442,652	\$ 287,896	\$ 1,625,272	\$ 1,474,511

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

Fiscal Year Ended June 30, 2014
(Amounts in thousands)

	<u>2014</u>	<u>2013</u>
Revenues and other financing sources		
Federal grants and reimbursements.....	\$ 379,346	\$ 379,593
Departmental revenue.....	1,182,978	1,164,742
Miscellaneous revenue.....	<u>1,092,832</u>	<u>1,046,438</u>
Total revenues and other financing sources.....	<u>2,655,156</u>	<u>2,590,773</u>
Expenditures and other financing uses (by MMARS subsidiary):		
AA Regular employee compensation.....	621,159	646,668
BB Regular employee related expenses.....	22,698	22,197
CC Special employees and contracted services.....	240,146	234,688
DD Pension and insurance.....	168,011	171,950
EE Administrative expenditures.....	109,489	220,797
FF Facility operational supplies.....	147,853	174,451
GG Energy costs and space rental.....	146,066	138,844
HH Consultant services.....	235,208	216,577
JJ Operational services.....	37,133	39,577
KK Equipment purchase.....	31,917	21,517
LL Equipment leases, maintenance and repair.....	25,063	21,598
MM Purchased client services and programs.....	29,025	31,631
NN Construction and improvements.....	101,594	130,151
PP Aid to local governments.....	1	1
RR Benefit programs.....	343,232	224,358
SS Debt payment.....	10,781	1,338
TT Loans and special payments.....	241,925	188,250
UU Information technology (IT) expenses	<u>92,345</u>	<u>71,055</u>
Total expenditures and other financing uses.....	<u>2,603,646</u>	<u>2,555,648</u>
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses.....	51,510	35,125
Fund balance at beginning of year.....	<u>843,214</u>	<u>808,089</u>
Fund balance at end of year.....	<u><u>\$ 894,724</u></u>	<u><u>\$ 843,214</u></u>

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

Fiscal Year Ended June 30, 2014
(Amounts in thousands)

	Bridgewater State University	Framingham State University	Fitchburg State University	Massachusetts College of Art
Revenues and other financing sources				
Federal grants and reimbursements.....	\$ 14,025	\$ 5,822	\$ 7,219	\$ 2,517
Departmental revenue.....	115,958	46,578	48,877	27,536
Miscellaneous revenue.....	78,456	51,938	39,206	18,286
Total revenues and other financing sources.....	208,439	104,338	95,302	48,339
Expenditures and other financing uses (by MMARS subsidiary):				
AA Regular employee compensation.....	56,948	8,437	16,476	8,667
BB Regular employee related expenses.....	1,413	458	426	384
CC Special employees and contracted services.....	41,307	10,563	11,275	6,154
DD Pension and insurance.....	14,797	2,269	3,775	633
EE Administrative expenditures.....	7,614	36,012	2,137	2,179
FF Facility operational supplies.....	2,000	1,662	1,239	1,285
GG Energy costs and space rental.....	5,333	3,079	4,947	1,705
HH Consultant services.....	2,096	1,391	745	1,456
JJ Operational services.....	11,181	6,077	1,280	2,054
KK Equipment purchase.....	1,738	737	497	429
LL Equipment leases, maintenance and repair.....	2,318	605	724	224
MM Purchased client services and programs.....	1,245	418	264	-
NN Construction and improvements.....	13,854	2,551	12,453	4,818
PP Aid to local governments.....	-	78	-	-
RR Benefit programs.....	22,667	8,036	9,462	7,328
SS Debt payment.....	2,065	702	-	-
TT Loans and special payments.....	24,494	13,439	21,275	6,869
UU Information technology (IT) expenses.....	5,065	3,332	3,424	1,744
Total expenditures and other financing uses.....	216,135	99,846	90,399	45,929
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses...	(7,696)	4,492	4,903	2,410
Fund balance at beginning of year.....	34,607	46,631	52,039	14,100
Fund balance at end of year.....	\$ 26,911	\$ 51,123	\$ 56,942	\$ 16,510

Note: Details might not add up due to rounding

Massachusetts Maritime Academy	Massachusetts College of Liberal Arts	Salem State University	Worcester State University	Westfield State University	Totals	
					2014	2013
\$ 597	\$ 3,353	\$ 11,664	\$ 245	\$ 8,218	\$ 53,660	\$ 51,260
17,057	20,695	22,259	52,841	72,858	424,659	415,753
9,010	16,893	129,347	20,536	31,385	395,057	376,968
26,664	40,941	163,270	73,622	112,461	873,376	843,981
4,568	8,127	25,002	3,058	17,366	148,649	155,318
295	556	437	31	36	4,036	4,542
4,915	7,985	16,722	8,064	9,588	116,573	120,422
552	1,024	6,536	471	4,944	35,001	37,340
578	1,858	11,645	6,365	219	68,607	63,123
524	726	3,147	3,150	44	13,777	13,063
440	1,486	5,197	6,486	258	28,931	31,794
354	1,590	2,071	2,694	97	12,494	13,082
3,482	3,036	1,506	1,564	116	30,296	33,621
207	702	420	1,079	71	5,880	7,641
387	854	440	2,173	48	7,773	7,419
-	-	662	-	4	2,593	2,844
423	4,329	3,764	4,597	1,024	47,813	58,262
-	-	-	-	-	78	77
619	4,814	18,613	13,604	7,427	92,570	75,803
-	89	-	-	29	2,885	9,702
2,421	2,645	58,151	10,706	222	140,222	140,906
1,315	1,035	6,108	3,152	113	25,288	24,957
21,080	40,856	160,421	67,194	41,606	783,466	799,916
5,584	85	2,849	6,428	70,855	89,910	44,065
16,968	14,229	38,781	92,618	42,770	352,742	308,677
\$ 22,552	\$ 14,314	\$ 41,630	\$ 99,046	\$ 113,625	\$ 442,652	\$ 352,742

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

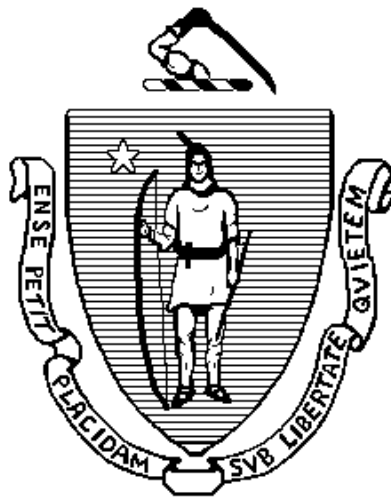
Fiscal Year Ended June 30, 2014

(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.....	\$ 4,493	\$ 27,328	\$ 26,242	\$ 5,383	\$ 3,738	\$ 13,712	\$ 18,097
Departmental revenue.....	8,442	24,079	10,825	10,996	8,755	16,979	36,916
Miscellaneous revenue.....	6,073	31,810	57,580	13,684	6,318	16,936	23,124
Total revenues and other financing sources.....	19,008	83,217	94,647	30,063	18,811	47,627	78,137
Expenditures and other financing uses (by MMARS subsidiary):							
AA Regular employee compensation.....	3,367	35,522	15,960	5,679	4,294	5,870	12,974
BB Regular employee related expenses.....	109	169	436	124	163	492	134
CC Special employees and contracted services.....	6,168	17,892	32,232	9,044	4,619	9,238	19,736
DD Pension and insurance.....	915	2,515	4,514	1,749	1,105	1,545	3,847
EE Administrative expenditures.....	1,652	2,505	2,552	859	439	2,019	1,533
FF Facility operational supplies.....	692	1,292	1,046	311	239	3,433	1,454
GG Energy costs and space rental.....	768	2,331	2,726	1,171	861	1,282	1,135
HH Consultant services.....	476	543	634	123	371	460	364
JJ Operational services.....	548	2,021	740	252	341	681	343
KK Equipment purchase.....	279	856	1,157	92	17	368	763
LL Equipment leases, maintenance and repair.....	136	809	243	82	121	142	647
MM Purchased client services and programs.....	29	425	2,118	-	12	14	434
NN Construction and improvements.....	500	2,533	1,736	973	178	1,535	2,467
PP Aid to local governments.....	-	-	203	-	-	-	23
RR Benefit programs.....	2,592	29,075	26,735	7,070	4,652	15,894	13,761
SS Debt payment.....	22	245	-	-	-	308	1,069
TT Loans and special payments.....	85	-	294	120	114	-	5,825
UU Information technology (IT) expenses.....	689	4,470	1,929	1,076	539	1,843	2,361
Total expenditures and other financing uses.....	19,027	103,203	95,255	28,725	18,065	45,124	68,870
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses.....	(19)	(19,986)	(608)	1,338	746	2,503	9,267
Fund balance at beginning of year.....	2,842	41,001	14,761	17,096	1,279	12,472	22,825
Fund balance at end of year.....	\$ 2,823	\$ 21,015	\$ 14,153	\$ 18,434	\$ 2,025	\$ 14,975	\$ 32,092

Note: Details might not add up due to rounding

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	
								2014	2013
\$ 5,982	\$ 19,023	\$ 1,177	\$ 13,545	\$ 17,199	\$ 16,350	\$ 5,477	\$ 15,579	\$ 193,325	\$ 179,140
20,473	32,711	33,100	48,172	32,966	47,394	2,041	26,219	360,068	397,147
19,500	33,994	19,094	26,491	16,447	5,223	17,051	13,786	307,111	321,094
45,955	85,728	53,371	88,208	66,612	68,967	24,569	55,584	860,504	897,381
3,280	18,224	24,827	12,988	27,161	10,447	1,539	2,040	184,172	200,100
144	465	308	332	192	505	40	317	3,930	4,126
14,416	26,099	9,218	16,394	8,550	12,944	13,353	9,902	209,805	211,971
1,689	5,593	3,243	3,927	2,176	2,133	450	654	36,055	38,687
4,227	2,862	2,368	6,315	2,940	2,863	578	3,090	36,802	85,736
550	1,243	628	3,673	3,502	4,405	968	1,758	25,194	24,236
2,091	5,835	624	1,997	1,501	1,266	873	829	25,290	25,660
-	296	671	793	1,342	9,452	1,179	2,406	19,110	12,837
-	-	698	2,657	198	314	849	1,846	11,488	8,169
-	311	697	1,053	237	836	201	2,623	9,490	9,279
-	654	301	192	150	892	176	1,483	6,028	6,884
282	-	51	-	201	-	-	499	4,065	3,577
1,912	1,450	3,842	3,337	1,113	608	257	358	22,799	17,776
-	-	116	-	45	-	35	5	427	308
11,966	194	1,501	32,486	15,187	18,691	384	19,202	199,390	171,051
93	-	351	340	1,350	-	-	232	4,010	2,912
-	19,739	11	-	-	297	12	2	26,499	30,789
4,590	85	51	2,576	2,064	3,606	667	63	26,609	38,201
45,240	83,050	49,506	89,060	67,909	69,259	21,561	47,309	851,163	892,299
715	2,678	3,865	(852)	(1,297)	(292)	3,008	8,275	9,341	5,082
11,873	4,999	7,650	8,363	13,263	4,163	17,179	98,790	278,555	273,473
\$ 12,588	\$ 7,677	\$ 11,515	\$ 7,511	\$ 11,966	\$ 3,871	\$ 20,187	\$ 107,065	\$ 287,896	\$ 278,555



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