

Commonwealth of Massachusetts

STATUTORY BASIS FINANCIAL REPORT

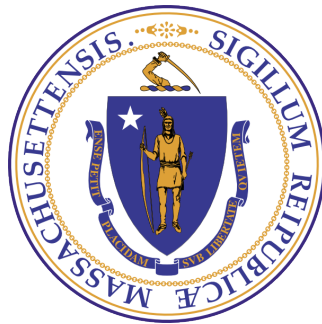
FISCAL YEAR ENDED JUNE 30, 2016



THOMAS G. SHACK III, ESQ.
COMPTROLLER

Palmers Island Lighthouse - New Bedford - Bristol County

Commonwealth of Massachusetts



Statutory Basis Financial Report

For the Fiscal Year Ended June 30, 2016

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

Prepared by
The Financial Reporting and Analysis Team
Office of the Comptroller

This document is available at the Comptroller's website: www.mass.gov/comptroller/



Palmers Island Lighthouse - New Bedford - Bristol County

Photo courtesy of Massachusetts Office of Travel and Tourism

Statutory Basis Financial Report

For the Fiscal Year Ended June 30, 2016

Table of Contents

	<u>Page</u>
<i>Introductory Section</i>	
Comptroller's Letter of Transmittal	1
Report Summary	2
Constitutional, Legislative and Judicial Officers	18
Organization Chart of State Government	19
Advisory Board to the Comptroller	20
Acknowledgments	21
 <i>Financial Section</i>	
Independent Accountants' Review Report	25
 <i>Combined Financial Statements - Statutory Basis:</i>	
Combined Balance Sheet - Statutory Basis - Budgeted Funds	28
Combined Statements of Revenues, Expenditures and Changes in Fund Balances - Statutory Basis - Budget and Actual - Budgeted Funds	29
Combined Statements of Revenues, Expenditures and Changes in Fund Balances - Statutory Basis - Non- Budgeted Special Revenue and Capital Projects Funds	30
Notes to Combined Financial Statements - Statutory Basis	31
 <i>Combining and Individual Fund Financial Statements - Statutory Basis:</i>	
<u><i>Budgeted Funds:</i></u>	
Fund Descriptions	43
Combining Balance Sheet - Statutory Basis	46
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Statutory Basis	50
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Statutory Basis - Budget and Actual	54
 <u><i>Individual Budgeted Funds:</i></u>	
General Fund	60
Commonwealth Transportation Fund	64
Commonwealth Stabilization Fund	66
 <u>Administrative Control Fund</u>	
Intragovernmental Service Fund	68
 <u>Environmental Funds:</u>	
Inland Fisheries and Game Fund	70
Marine Recreational Fisheries Development Fund	72

Table of Contents (continued)

Other:

Public Safety Training Fund	74
Community First Trust Fund	76
Massachusetts Tourism Fund	78
Local Capital Projects Fund	80
Gaming Local Aid Fund	82
Local Aid Stabilization Fund	84
Manufacturing Fund	86
Community College Fund	88

Non-Budgeted Special Revenue Funds:

Fund Descriptions	91
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Statutory Basis	102

Capital Projects Funds:

Fund Descriptions	115
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Statutory Basis	116

Supplemental Information:

Calculation of Transfers:

Stabilization Fund	120
Tax Reduction Fund	121
Schedule A - Tax Revenues by Revenue Class	122
Schedule B - Calculation of Cap on Stabilization Fund	123
Schedule C - Detail of Elimination of Budgetary Inter Fund Activity	124
Non-Tax Revenue Initiatives	126
Schedule of Post Employment Benefits	127

Statistical Section

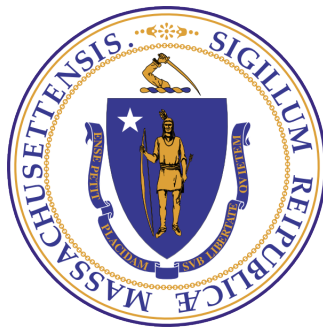
Ten-Year Schedules:

Revenues and Other Financing Sources - Statutory Basis	130
Tax Revenues by Source - Statutory Basis	132
Expenditures and Other Financing Uses by Secretariat - Statutory Basis	134
Budgeted Funds Expenditures and Other Financing Uses by Major Program Category	136
Long-Term Bonds and Notes Outstanding	137

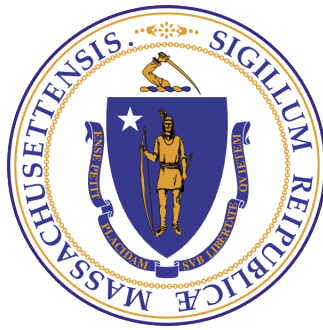
Higher Education Non-Appropriated Activity

Descriptions	139
Combining Higher Education System - Statutory Basis	140
University of Massachusetts - Statutory Basis	141
Combining State University and College System - Statutory Basis	142
Combining Community College System - Statutory Basis	144

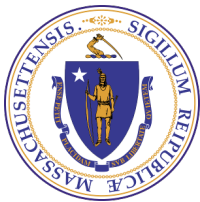
Introductory Section



Comptroller's Letter
Report Summary
Constitutional, Legislative and Judicial Officers
Organizational Chart of State Government
Advisory Board to the Comptroller
Acknowledgements



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The Commonwealth of Massachusetts
Office of the Comptroller

October 31, 2016

The People of Massachusetts

His Excellency Charles D. Baker, Governor

Senator Karen E. Spilka, Chair of the Senate Committee on Ways and Means

Representative Brian S. Dempsey, Chair of the House Committee on Ways and Means

Secretary Kristen Lepore, Executive Office of Administration and Finance

I am pleased to present the Statutory Basis Financial Report (SBFR) for the fiscal year ended June 30, 2016.

Under M.G.L. c. 7A, s. 7, the Comptroller is responsible for establishing accounting rules and interpreting and implementing accounting standards for Commonwealth departments. Pursuant to M.G.L.c. 7A, s. 12, the Comptroller is also required to file the SBFR with the Governor, the Secretary of Administration and Finance, the House and Senate Committees on Ways and Means, the Clerks of the House and Senate, and any other Parties specified in general or special law. This report is provided consistent with these mandates.

In my opinion, the SBFR provides an independent and unbiased accounting of Commonwealth revenues and expenditures for Fiscal Year 2016. It has also been reviewed in accordance with professional standards established by the American Institute of Certified Public Accountants.

My office will also issue the Commonwealth's Comprehensive Annual Financial Report (CAFR), by the end of this calendar year. The CAFR has the additional requirements of adherence to generally accepted accounting principles (GAAP), and the interpretation of statements issued by the Governmental Accounting Standards Board (GASB).

As we conclude our review of Fiscal Year 2016, I would like to take the opportunity to acknowledge the remarkable effort and dedication of the Office of the Comptroller staff, who continually support our mission to promote accountability, integrity, and clarity in Commonwealth business, fiscal, and administrative enterprises.

Respectfully,

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

Report Summary

As of June 30, 2016, the Commonwealth had a budgeted fund balance of approximately \$1.482 billion and completed FY16 with a balanced budget according to state finance law (see page 3 for the definition of a balanced budget under state finance law). During the fiscal year, the balance of the Commonwealth's Stabilization (or rainy day) Fund increased by \$39 million, to \$1.292 billion, as a result of investment earnings and transfers of abandoned property revenues. No funds were drawn from the Stabilization Fund in FY16. (The Budgeted Funds – Operations table on page 7 displays the FY16 summary of budgeted funds compared to FY15. Details of FY16 Stabilization Fund activity are provided on pages 9 and 120.) The total budgeted fund balance of \$1.482 billion reflects a loss (revenues and other financing sources less than expenditures and other financing uses) of approximately \$89 million, subtracted from the FY16 beginning balance of \$1.571 billion. This follows an FY15 operating gain of \$120 million. In addition to the \$1.292 billion reserved in the Stabilization Fund, \$126 million is reserved for continuing appropriations and debt service in fiscal year 2017. The remaining undesignated balance of \$64 million is made up of smaller budgeted fund balances.

During FY16, budgeted fund tax revenues increased by \$443 million, or 1.9%, from FY15, as tax revenue growth due to the continuing strength of the Massachusetts economy was partially offset by a decline in capital gains tax revenues. Before transfers between budgeted funds that do not affect total budgeted fund balances, total budgeted fund revenues and other financing sources increased by \$2.129 billion, or 5.6%. Budgeted fund expenditures and other financing uses increased by \$2.338 billion, or 6.1%, primarily due to increases in Medicaid spending, additional payments to hospitals that care for the uninsured, and higher contributions to the state pension system to pay down the Commonwealth's unfunded pension liability. A more detailed analysis of revenue and spending changes, as well as the economic factors that affected the budget, is included in the sections that follow.

Overview of the Financial Statements

This report focuses on the Commonwealth's budgeted funds. For the budgeted funds, the activity (inflows and outflows) and balances (assets and liabilities) of each fund are presented separately. For all other funds included in this report, the activity – inflows and outflows – is presented in tabular form, but per statute, the full balance sheets for each fund are not shown.

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 FY16 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.

Basis of Accounting and Definition of the Consolidated Net Surplus

The statutory (or budgetary) 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. The Comptroller's Office will report the Commonwealth's financial position on a GAAP basis in December, in the State's Comprehensive Annual Financial Report (CAFR). That report provides a basis for comparison with other jurisdictions, as the accounting rules for the CAFR are the same for all governments, whereas the statutory basis of accounting may differ across states. 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 pensions – and in the CAFR the financial statements are presented in an all-encompassing, net position and net expense format.

The Commonwealth's statutory basis of accounting defines the “consolidated net surplus” as the ending “undesignated”, or unreserved, balances in specific budgeted funds, that is, those funds subject to the state's annual appropriation process, though by statute several budgeted funds are excluded from the consolidated net surplus calculation. In turn, state finance law defines a “balanced budget” as a consolidated net surplus of \$0. The largest of the budgeted funds are the

General Fund, which accounts for approximately 93.5% of total budgeted fund expenditures, and the Commonwealth Transportation Fund, which accounts for approximately 4.9% of total state budgeted fund activity. The remaining approximately 1.6% of budgeted fund activity is comprised of 12 smaller funds, 6 of which by statute are excluded from the consolidated net surplus calculations.

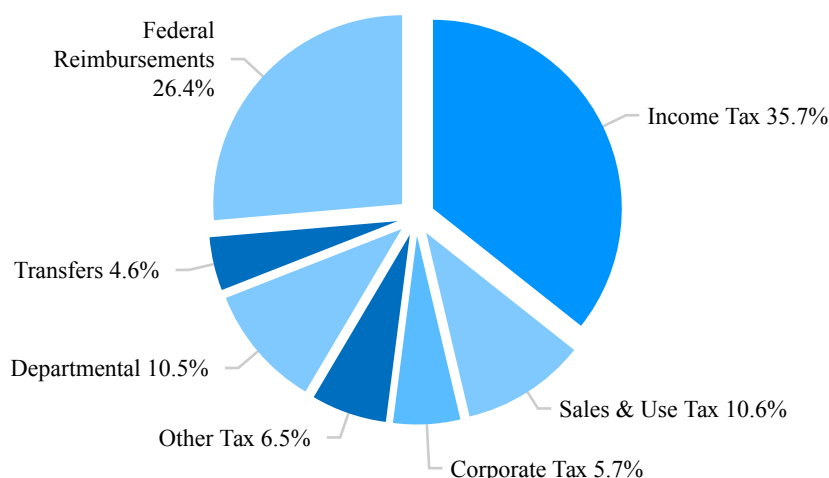
In accordance with Section 12 of Chapter 7A of the Massachusetts General Laws, as amended, the Office of the Comptroller is required to transmit the SBFR by October 31st. The SBFR for the fiscal year ended June 30, 2016 is reviewed, not audited, by KPMG LLP and represents the closing of the Commonwealth's books for the fiscal year.

The Economic Context

The funding available to the Commonwealth to finance its programs is determined in large part by the performance of the state's economy, most importantly the growth in employment. In FY16, the Commonwealth's economy continued to perform better than the nation's economy. Between June 2015 and June 2016, employment (which is the primary driver of the Commonwealth's largest revenue source, income tax withholding) grew by approximately 69,000 jobs, or 2.0%, compared to employment growth of 1.7% for the United States as a whole over the same period. As of June 2016, the Massachusetts unemployment rate was 4.2%, compared to 4.9% nationally.

The Budgeted Funds

***Budgeted Fund Revenues and
Other Sources (Total of \$40.4 billion)***



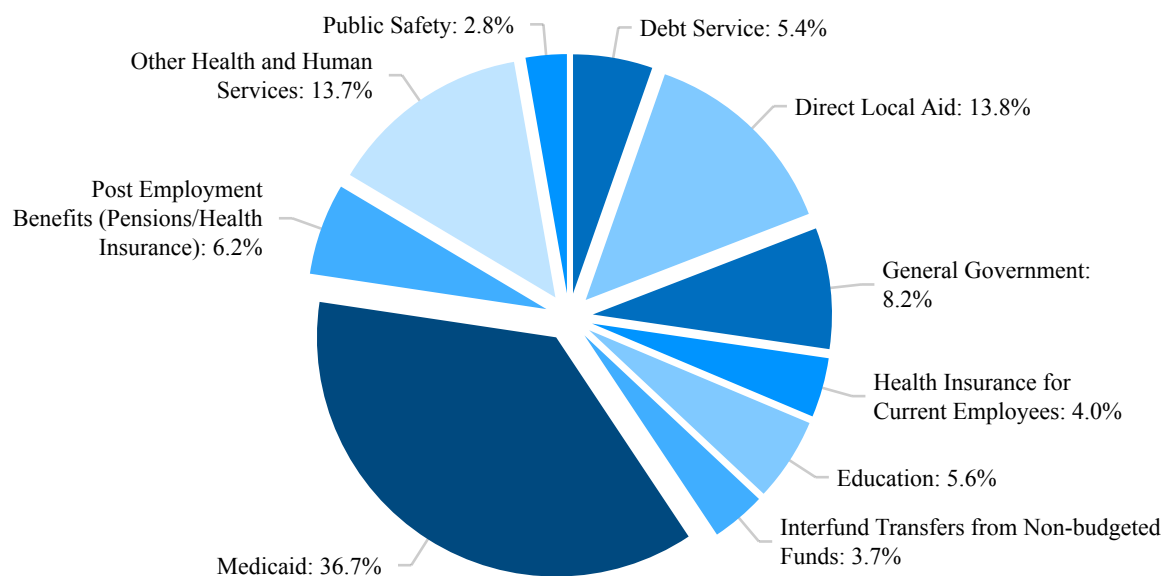
The FY16 budget as enacted by the Legislature was based on an FY16 consensus tax revenue estimate of \$25.479 billion, of which approximately \$23.668 billion was to be credited to the Commonwealth's budgeted funds after adjusting for \$1.812 billion in tax revenue that is deposited directly into non-budgeted funds for transfers of sales tax revenue dedicated to the Massachusetts Bay Transportation Authority (\$985 million) and the Massachusetts School Building Authority (\$804 million), and revenue deposited in the non-budgeted Workforce Training Fund (\$22 million). The FY16 enacted budget adjusted the estimate to \$25.711 billion, including \$100 million in tax settlements (of which \$23.899 billion was to be deposited in the budgeted funds), due to several tax law changes included in the budget. Both estimates included \$122 million of capital gains revenue that under statute was to be transferred to the Stabilization Fund and would not be available for budgetary purposes.

As a result of above forecast revenue performance over the the first six months of FY16, in January 2016, the FY16 tax revenue estimate was adjusted upward by \$140 million, to \$25.876 billion, (including \$125 million in settlements exceeding \$10 million each, virtually all of which were tax-related), of which \$24.065 billion was to be deposited in the budgeted funds.

FY16 tax revenues ended the year at \$25.424 billion (including \$155 million in tax settlements exceeding \$10 million each), of which \$23.617 billion was deposited in the budgeted funds. Tax revenue deposited in the budgeted funds grew by \$443 million, or 1.9% from FY15, and was \$448 million below the final FY16 tax estimate and \$283 million below the enacted budget's FY16 tax estimate.

The FY16 General Appropriation Act (GAA) authorized approximately \$39.156 billion in spending, exclusive of approximately \$1.972 billion in required pension contributions and \$212 million in FY15 spending authorized to be continued into FY16 as part of FY15 end-of-year supplemental budgets.

Budgeted Expenditures and Other Uses (Total of \$40.5 billion)



Approximately \$913 million in supplemental appropriations were authorized during FY16, \$702 million of which were enacted prior to June 30, 2016. Subsequent to year end, two additional supplemental budgets were enacted totaling approximately \$211 million in new and continued appropriations, \$164 million of which was for FY16 Medicaid expenditures, with virtually all of the remainder continued to FY17 and reappropriated. The year's significant supplemental appropriation activity included:

- \$566 million for transfers to the Medical Assistance Trust Fund;
- \$164 million for Medicaid expenses;
- \$41 million for emergency housing assistance;
- \$39 million for compensation of private counsel representing indigent defendants;
- \$28 million to fund county Sheriffs;
- \$13 million for certain court judgments and settlements.

In order to maintain a balanced budget in the face of lower than projected FY16 tax revenue collections, the Governor reduced spending authorizations, or allotments, using his authority under Section 9C of Chapter 29. Those allotment reductions totaled approximately \$47 million. The Executive Office for Administration and Finance in conjunction with state departments also took action in the fourth quarter of FY16 to minimize discretionary spending to maintain a balanced budget. Finally, the following specific actions were taken in FY16 to maintain statutory budget balance:

- \$283 million in capital gains tax revenue that under statute is required to be deposited in the Stabilization Fund (\$255 million), the State Pension Fund (\$14 million), and the State Retiree Benefits Trust Fund (\$14 million) was retained in the General Fund, per a provision in the FY16 General Appropriation Act that suspended the requirement;
- \$71 million in Medicaid payments was shifted from FY16 to FY17;
- \$137 million in non-recurring revenue was generated by a tax amnesty program;
- \$113 million in debt service payments normally paid from budgeted funds was paid from a non-budgeted fund capitalized by FY15 surplus revenues;
- \$79 million in revenues was transferred to the General Fund from non-budgeted funds and state authorities;
- \$26 million was retained in the General Fund by reducing the statutorily required tobacco settlement transfer to the State Retiree Benefits Trust Fund.

FY16 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 \$40.366 billion, an increase of \$2.129 billion, or 5.6%, from FY15. Tax revenue grew by \$443 million, or 1.9%; while the economy continued to expand modestly, growth in withholding and sales tax revenue was offset by a decline in capital gains tax revenue, which according to a preliminary Department of Revenue estimate, dropped by \$299 million, or 17.9%, from \$1.669 billion in FY15 to an \$1.370 billion in FY16. (There were also declines in other non-withholding, or non-wage, income taxes, though details on these will not be available until 2015 income tax returns filed on extension are analyzed.) Federal reimbursements totaled \$10.643 billion, an increase of \$1.162 billion, or 12.3%, primarily due to growth in reimbursements for increased Medicaid program spending, as well as increases in reimbursements for payments to hospitals that care for a disproportionate share of low income patients. Departmental revenue, which consists primarily of assessments and fees for state licenses and state services, totaled \$4.257 billion, an increase of \$404 million, or 10.5%, from FY15. Large increases in departmental revenue included \$198 million in pharmacy rebates paid to the state employee health insurance program, \$166 million in payments from the University of Massachusetts Medical School, and \$46 million in additional reimbursements by cities and towns participating in the state's health plans. Interfund transfers from non-budgeted funds totaled \$1.849 billion, an increase of \$119 million, or 6.9%, from FY15, due primarily to \$16 million in additional transfers from abandoned property revenues and \$36 million in higher fringe benefit recoveries from capital, federal grants, and non-budgeted funds.

The Commonwealth continues to receive revenues from the Master Settlement Agreement (MSA) between the states and the tobacco industry to recover health care costs for tobacco-related illnesses. In FY16, the Commonwealth received \$258 million in tobacco settlement funds, an increase of \$12 million from FY15. The \$258 million represented approximately 69.6% of the estimated amounts shown in the MSA. Statute requires that a portion of tobacco settlement proceeds be transferred directly to the State Retiree Benefits Trust Fund (SRBTF) to fund the Commonwealth's liability for retiree health care, with the percentage of proceeds transferred increasing by 10% each year until 100% of such proceeds is to be deposited in the SRBTF in FY2023 and after. For FY16, the statutorily required transfer was 40% of tobacco settlement revenues; however, the FY16 General Appropriation Act altered the mechanism by which the transfer was made and reduced the percentage of tobacco settlement revenues deposited to the SRBTF from 40% to 30%. That action reduced the FY16 transfer to approximately \$77 million, compared to the statutorily required transfer of \$103 million. For FY17, statute requires a transfer of 50%, or \$122 million, of the \$244 million in estimated FY17 tobacco settlement payments, to the SRBTF; the fiscal 2017 budget enacted by the Legislature requires that transfers be made equivalent to 10% of fiscal 2017 tobacco settlement proceeds, or approximately \$25.7 million. The Governor returned that section of the Legislature's proposal with an amendment, proposing instead to require a 30% transfer, as in fiscal 2016, which would result in a transfer of approximately \$73 million. That proposal has not yet been acted

upon by the Legislature. In the absence of further action, the amount transferred to the SRBTF in FY17 would revert to the statutorily required 50% of tobacco settlement proceeds, or \$122 million.

FY16 budgeted expenditures and other financing uses, including transfers to non-budgeted funds (but before transfers between the budgeted funds) totaled \$40.454 billion, an increase of \$2.338 billion, or 6.1%, from FY15, with the increase primarily attributable to higher spending on Medicaid and other health care spending, pension contributions, and Local Aid.

Spending on programs and services totaled \$34.290 billion, an increase of \$1.656 billion, or 5.1%, from FY15. Medicaid expenditures totaled \$14.851 billion, an increase of \$1.196 billion, or 8.8%, from FY15, primarily due to provisions of the federal Affordable Care Act (ACA) that expanded eligibility for Medicaid as of January 1, 2015, and also due to base enrollment and health care cost growth. Spending on state employee health benefits paid through the Group Insurance Commission (excluding benefits paid to retirees) declined by \$16 million, or 1.0%, from \$1.646 billion to \$1.630 billion.

Budgeted debt service totaled \$2.174 billion, down \$16 million, or 0.7%, from FY15, with the decline due primarily to the payment from a non-budgeted fund of \$113 million in debt service expenditures that normally would be paid from a budgeted fund. Without that shift, debt service expenditures would have totaled \$2.288 billion, an increase of \$97 million, or 4.4%.

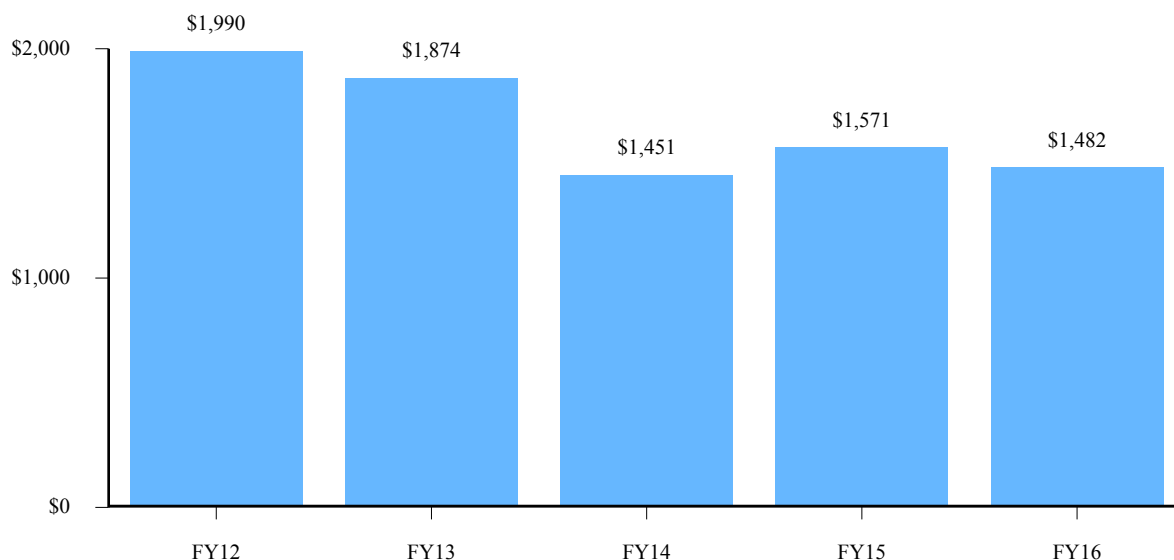
Interfund transfers to non-budgeted funds (primarily the Universal Health Care funds) totaled \$1.486 billion, an increase of \$482 million or 48.0%, primarily due to an increase in transfers to the Medical Assistance Trust Fund. Post-employment benefits (for pension contributions and retiree health insurance) totaled \$2.503 billion, an increase of \$216 million, or 9.5%, as the Commonwealth increased its pension contribution by 10%, or \$179 million, over FY15. Spending for direct local aid (both education aid and unrestricted aid), at \$5.568 billion, was up \$147 million, or 2.7%, from FY15.

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 Budgeted Funds - Operations table isolates this “interfund” activity from the budgeted sources and subtracts this revenue and spending to align forecasts prepared during the budget process to actual amounts in this report. In FY16, transfers among the Budgeted Funds totaled \$473 million, a decrease of \$262 million, or 35.7%, with the decline due primarily to reduced transfers to and from the Stabilization Fund during the fiscal year. 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)

	2016	2015
Beginning fund balances:		
Reserved and designated	\$ 225,993	\$ 190,032
Reserved for Stabilization Fund	1,252,429	1,248,435
Undesignated	92,264	12,075
Total	1,570,686	1,450,542
Revenues and other financing sources:		
Taxes	23,616,920	23,173,799
Federal reimbursements	10,642,720	9,480,404
Departmental and other revenues, including tobacco settlement	4,257,203	3,852,782
Interfund transfers from non-budgeted funds and other financing sources	1,848,709	1,729,489
Budgeted revenues and other financing sources	40,365,552	38,236,474
Intragovernmental Service Fund revenues	385,270	362,058
Interfund transfers among budgeted funds and other financing sources	87,628	373,330
Total revenues and other financing sources	40,838,450	38,971,862
Expenditures and other financing uses:		
Programs and services	34,290,355	32,634,516
Debt service	2,174,307	2,190,405
Post employment benefits	2,503,377	2,287,113
Interfund transfers to non-budgeted funds and other financing uses	1,486,206	1,004,296
Budgeted expenditures and other financing uses	40,454,245	38,116,330
Intragovernmental Service Fund expenditures	385,270	362,058
Interfund transfers among budgeted funds and other financing uses	87,628	373,330
Total expenditures and other financing uses	40,927,143	38,851,718
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(88,693)	120,144
Ending fund balances:		
Reserved and designated	126,018	225,993
Reserved for Stabilization Fund	1,291,514	1,252,429
Undesignated	64,461	92,264
Total	\$ 1,481,993	\$ 1,570,686

Budgeted Funds – Fund Balance (Including Stabilization Fund)
(Amounts in millions)



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

As of June 30, 2016, the ending balance is comprised mainly of the fund balance of the General Fund and the Stabilization Fund. Due to designations of fund balances, \$126 million of the total budgeted fund balance, exclusive of the Stabilization Fund, is reserved for appropriations and debt service in FY17. The remaining \$64 million is undesignated in the budgeted funds that are not included in the consolidated net surplus calculation, with \$45 million of that balance in the Community First Trust Fund, which funds home and community-based services under the state's federally reimbursed Medicaid program.

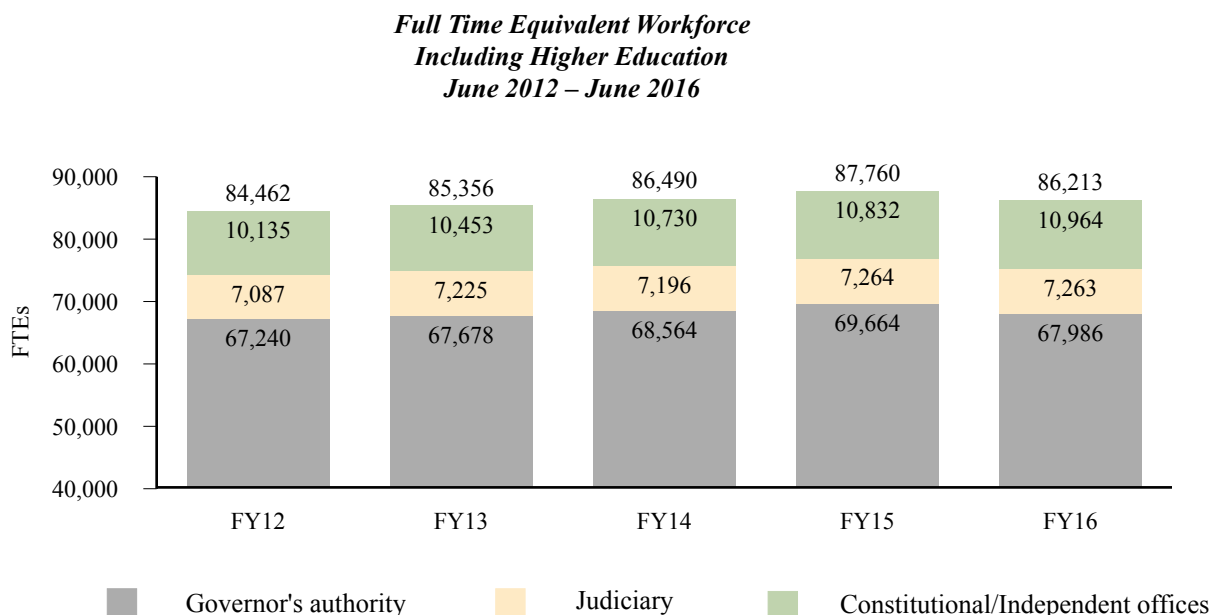
Lottery and Gaming

Gross Lottery revenues (including revenues from the Arts Lottery) grew from \$5.195 billion in FY15 to \$5.407 billion in FY16, an increase of \$212 million, or 4.1%. Lottery profits, after deducting administrative expenses and fringe benefit charges to reimburse the Commonwealth's General Fund for pension and employee health insurance benefits, but prior to distributions to reimburse the Massachusetts Cultural Council and compulsive gamblers appropriation as mandated in the FY16 budget, totaled \$989 million, an increase of \$5 million, or 0.5%, from FY15. Of that \$989 million in profits, and as mandated in the FY16 General Appropriation Act, approximately \$875 million was transferred to the General Fund to reimburse it for so-called Unrestricted General Government Aid (formerly Lottery Local Aid), \$12 million reimbursed the Massachusetts Cultural Council appropriation, and \$1.5 million reimbursed a compulsive gambling prevention program appropriation. The remaining \$99 million after these reimbursements was transferred to the General Fund as unrestricted revenue to fund general state operations. The FY17 General Appropriation Act contains provisions for approximately \$1.022 billion in Unrestricted General Government Aid, of which \$958 million is to be paid from the General Fund and reimbursed by Lottery profits.

FY16 was the first year in which significant tax revenues were collected on profits generated by slot machines at the Plainridge slots parlor, which opened on June 24, 2015. FY16 budgeted fund tax revenues remitted to the Commonwealth, which are equal to 40% of gross profits (or "gross gaming revenues") from the slot machines, totaled approximately \$64 million, which was earmarked for local aid; an additional \$14 million in non-budgeted fund revenue, equal to 9% of gross gaming revenue from the slot machines, was earmarked for advancement of horse racing. The FY17 budget also relies on \$64 million in budgeted fund revenue from taxes on slots parlor profits.

Full-Time Equivalent Employment

The chart below shows the Commonwealth's full-time equivalent employment, including the Massachusetts Department of Transportation (MassDOT) for all state funding sources (budgetary, non-budgetary, capital, federal, and trust) over the past five fiscal years. In FY16, the number of Commonwealth employees decreased by approximately 1,547 full-time equivalent employees (FTEs), to a total of 86,213, with most of the decreases in health and human services (approximately 502 FTEs), MassDOT (approximately 352 FTEs), administration and finance (approximately 387 FTEs), labor and workforce development (approximately 270 FTEs), public safety (approximately 244 FTEs) and environmental affairs (approximately 150 FTEs). These declines were due primarily to the early retirement incentive program (ERIP) enacted during FY15, under which participating employees were required to leave the state payroll by June 30, 2015. The ERIP program reduced the state workforce by approximately 2,478 FTEs.



The Stabilization Fund

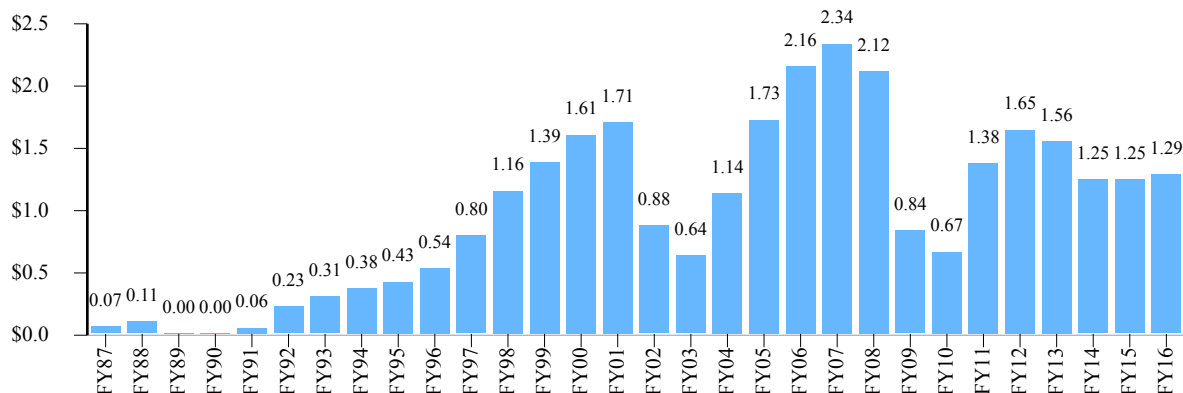
In FY16, the Commonwealth made no withdrawals from the Stabilization (or rainy day) Fund. Per a statutory provision that requires the Commonwealth to deposit to the Stabilization Fund annual increases in abandoned property revenues, a transfer of \$27 million in such revenue was made to the rainy day fund. During FY16, the Stabilization Fund also earned \$11 million in investment income and received a small amount of tax revenue. As a result, the balance of the Stabilization Fund increased by \$39 million, to \$1.292 billion, between FY15 and FY16.

As part of an effort to ensure a statutorily balanced budget, the FY16 enacted budget included a provision suspending a statutory requirement to transfer tax revenue attributable to capital gains above a threshold to the Stabilization Fund, State Pension Liability Fund, and State Retiree Benefits Trust Fund. The FY16 capital gains tax threshold, as determined by the Department of Revenue, was \$1.087 billion. In July 2016, the Department of Revenue certified that FY16 tax collections attributable to capital gains totaled \$1.370 billion, meaning that \$283 million in capital gains tax revenue was retained in the General Fund that otherwise would have been transferred to the Stabilization Fund, State Pension Liability Fund, and the State Retiree Benefits Trust Fund. In December 2016, the Department of Revenue estimated that the capital gains tax threshold for FY17 is \$1.128 billion. However, the FY17 General Appropriation Act again temporarily suspended the capital gains transfer requirement for FY17, replacing it with a statutory requirement that FY17 capital gains tax revenues in excess of \$1.278 billion be transferred to the Stabilization Fund. The tax revenue

estimate assumed in the FY17 enacted budget projects that no capital gains tax revenue will be transferred to the Stabilization Fund in FY17.

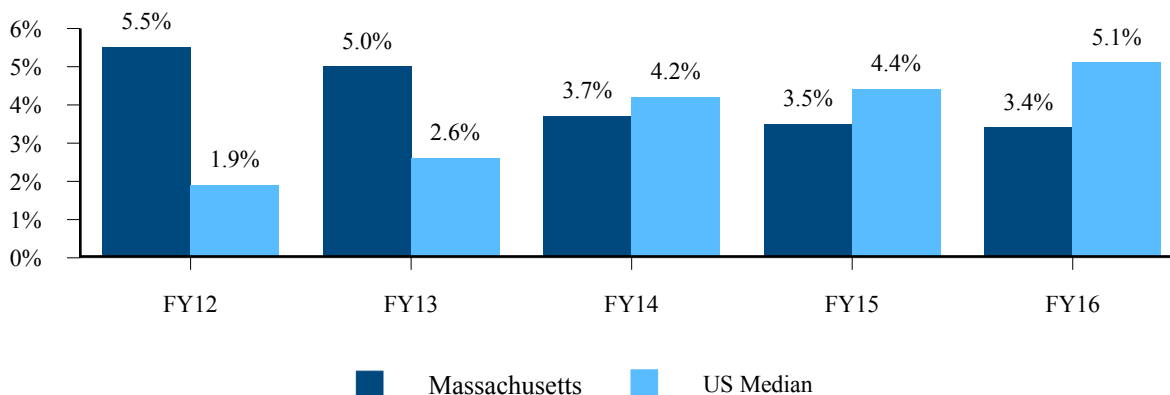
The chart below, which shows the Stabilization Fund balances since the Fund's inception, indicates that the Fund balance increased by more than \$709 million in FY11 and \$273 million in FY12 as the Commonwealth emerged from the recession, but declined by \$95 million in FY13 and \$308 million in FY14, increased by \$4 million in FY15 and \$39 million in FY16. According to The National Association of State Budget Officers' (NASBO) *Fiscal Survey of the States*, the Commonwealth ranked ninth in the nation at the end of FY15 (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. Six states had no stabilization fund balance at the end of FY15. According to the *Survey* and the Commonwealth's results shown in this report, Massachusetts will still have the ninth largest Stabilization Fund balance at the end of FY16 once all 50 states close their books on the fiscal year.

***Stabilization Fund Balance
(Amounts in \$ billions)***



The chart below shows the Commonwealth's Stabilization Fund balance as a percentage of General Fund expenditures compared to the median of all 50 states as reported in the NASBO survey. (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 FY16.) By that measure, Massachusetts's Stabilization Fund balance of 3.4% of General Fund expenditures as of the end of FY16 was below the estimated national median of 5.1% of expenditures.

Stabilization Fund Percentage of General Fund Expenditures Compared To US Median



Massachusetts maintains a Stabilization Fund balance that is larger than that of many states and in FY16 made a \$39 million deposit to the Fund. However, the Commonwealth drew down the Fund's balance between FY12 and FY14 as its economy recovered from recession, despite strong tax revenue growth in those years. The Stabilization Fund's balance has not yet been restored to pre-recession levels, thus potentially leaving the Commonwealth vulnerable if another economic downturn occurs. While credit rating agencies have continued to maintain the Commonwealth's strong bond rating, they have identified the state's reliance on reserves in those years as an area requiring improvement. On a positive note, the FY17 General Appropriation Act assumes that for the second consecutive year the Commonwealth will not withdraw funds from the Stabilization Fund to help balance the operating budget.

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 FY16, the Commonwealth maintained 95 non-budgeted funds, while another 22 were inactive.

The largest non-budgeted funds in terms of operating revenues include the Lottery Fund, the Federal Grants Fund, the Medical Assistance Trust Fund, and the Commonwealth Care Trust Fund. Other funds that show large inflows include the Grant Anticipation Notes Trust Fund, funded by federal highway spending reimbursements, and the "pass-through" MBTA State and Local Contribution Trust Fund (which accounts for sales tax revenue dedicated to and transferred to the MBTA) and School Modernization Trust Fund (which accounts for sales tax revenue dedicated to and transferred to Massachusetts School Building Authority).

The following table, Non-Budgeted Special Revenue Funds - Operations, summarizes the FY16 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. The table includes the State Lottery Funds, where Lottery revenues and expenditures occur prior to Lottery profits being transferred to the General Fund to reimburse it for local aid and other appropriations.

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

	2016	2015
Beginning fund balance	\$ 2,125,275	\$ 2,269,864
Revenues and other financing sources:		
Taxes	2,183,221	2,065,570
Assessments	638,305	607,975
Federal grants and reimbursements	3,162,489	2,993,570
Departmental and miscellaneous	6,740,599	6,355,358
Transfers and other financing sources	1,535,799	1,121,520
Total revenues and other financing sources	14,260,413	13,143,993
Expenditures and other financing uses:		
Programs and services	11,947,924	10,919,380
Debt service	295,811	316,777
Transfers and other financing uses	2,075,043	2,052,425
Total expenditures and other financing uses	14,318,778	13,288,582
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(58,365)	(144,589)
Ending fund balance	\$ 2,066,910	\$ 2,125,275

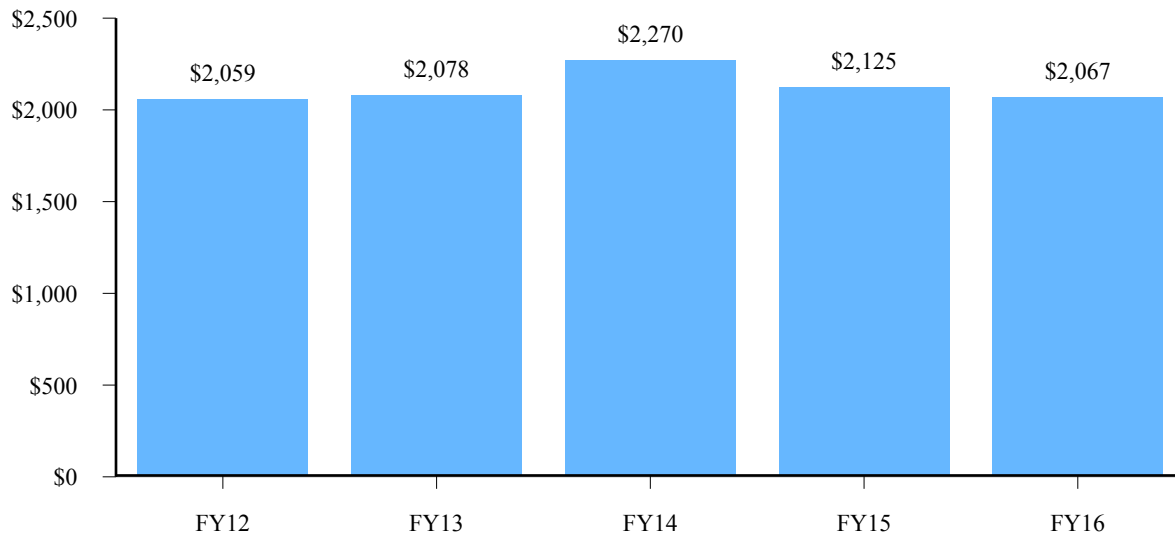
Non-Budgeted Special Revenue Funds with operating deficits in excess of \$10 million include:

- \$113 million – Debt Defeasance Trust Fund, which used revenue deposited at the end of FY15 to fund FY16 debt service;
- \$30 million – Convention and Exhibition Center Fund;
- \$16 million – Massachusetts Transportation Trust Fund;
- \$15 million – Federal Grants Fund;
- \$10 million – Health Information Technology Trust Fund.

In FY16, \$43 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 financed through Federal Grant Anticipation Notes (GANs). In addition, approximately \$33 million in interest payments for the GANs were funded by a General Fund appropriation.

For the eleven Universal Health Care funds, revenues and other financing sources were \$1.910 billion in FY16, an increase of approximately \$865 million from FY15. This increase was due primarily to a \$799 million increase in transfers to the Medical Assistance Trust Fund. Expenditures from the Universal Health Care funds totaled \$1.820 billion, an increase of \$771 million from FY15, due primarily to an increase of \$798 million in spending from the Medical Assistance Trust Fund, which funds payments to hospitals that treat large populations of Medicaid-eligible patients. The following chart, Non-Budgeted Special Revenue Funds - Fund Balance, shows the combined fund balance in the Non-Budgeted Special Revenue funds for the past five years.

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



Individual non-budgeted funds that represent approximately 85% of total non-budgeted fund balances include:

- \$818 million – Massachusetts Transportation Trust Fund;
- \$390 million – Central Artery/Tunnel Project Repair and Maintenance Trust Fund;

- \$123 million – Enhanced 911 Fund;
- \$97 million – Health Safety Net Trust Fund;
- \$89 million – Convention and Exhibition Center Fund;
- \$87 million – Grant Anticipation Note Trust Fund;
- \$83 million – Distressed Hospital Trust Fund;
- \$60 million – Commonwealth Care Trust Fund.

As noted in previous reports, the Government Land Bank Fund has a continuing structural fund deficit. The FY16 deficit balance of approximately \$35 million remains an unbudgeted drain on the Commonwealth's cash pool. 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. More consolidation and elimination is needed for the non-budgeted special revenue funds generally.

The Capital Projects Funds

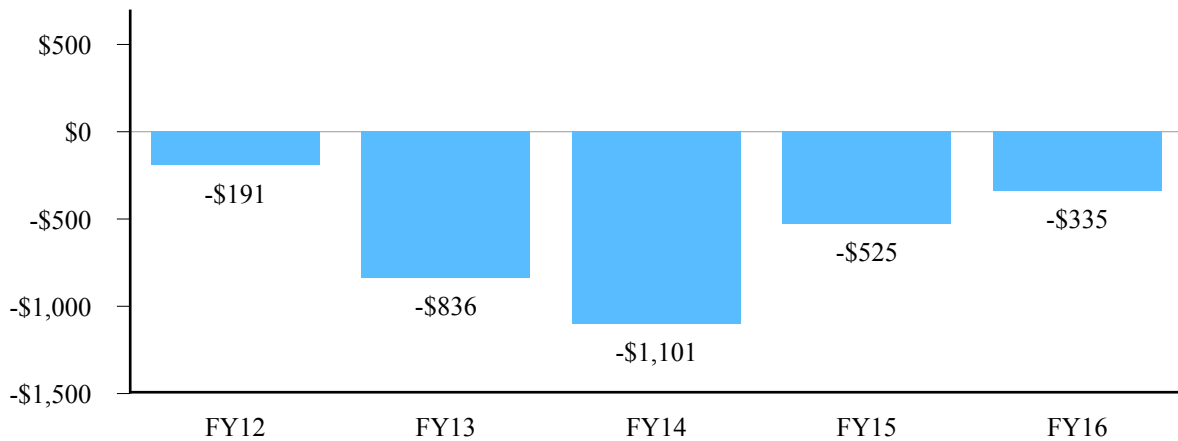
The purpose of these funds is to account for the construction or acquisition of capital assets. The Governor may propose capital outlay budgets which, upon enactment by the Legislature and approval by the Governor, become capital outlay acts. Capital outlay acts financed through the sale of debt require 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) and expenditures. Imbalances due to timing differences develop when the expenditure precedes the inflow of funds from the sale of bonds or federal reimbursements. Due to restrictions imposed by federal tax arbitrage rules, tax exempt bonds are not routinely sold in anticipation of expenditures.

To fund the FY16 capital budget, the Commonwealth borrowed by issuing \$2.759 billion in long-term bonds, \$2.259 billion of which was general obligation debt and \$500 million was special obligation debt secured by motor fuels taxes and motor vehicle license and registration fees. In addition, the Commonwealth issued \$1.463 billion in debt to refund already existing obligations, taking advantage of continued low interest rates in FY16.

The graph Capital Projects Funds - Fund Balance (Deficit) on the next page shows the combined fund balance in Capital Projects Funds for the past five years. Typically, the combined ending balance in the Capital Projects Funds is negative, as capital spending occurs prior to bonds being issued by the Commonwealth. At the end of FY16, the Capital Projects Funds had a \$335 million deficit balance (including \$623 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. That deficit was eliminated in September 2016 when the Commonwealth issued \$550 million in General Obligation bonds.

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



The Capital Projects Funds - Operations table below includes the FY16 Capital Projects Funds, summarized and compared to FY15. Financial statements for each of the individual funds are included in the financial section of this report.

Capital Projects Funds - Operations
(Amounts in thousands)

	2016	2015
Beginning fund balance (deficit)	\$ (524,860)	\$ (1,101,197)
Revenues and other financing sources:		
Federal grants and reimbursements	85,759	81,475
Departmental	2,922	3,004
Miscellaneous	1,350	649
Departmental and miscellaneous	4,272	3,653
Proceeds of general and special obligation bonds	3,002,758	3,404,176
Proceeds of refunding bonds	1,674,030	707,386
Transfer for federal reimbursements	500,929	468,040
Transfers and other financing sources	93,736	55,410
Total revenues and other financing sources	5,361,484	4,720,140
Expenditures and other financing uses:		
Acquisition and maintenance of capital assets	3,390,064	3,368,281
Payments to advance refunding escrow agent/principal repayment	1,674,030	707,386
Transfers and other financing uses	107,228	68,136
Total expenditures and other financing uses	5,171,322	4,143,803
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	190,162	576,337
Ending fund balance (deficit)	\$ (334,698)	\$ (524,860)

The Administration oversees 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 and debt service obligations the Administration considers appropriate for the Commonwealth. An important part of the strategy is to control capital spending within an administrative “cap.”

During FY16, significant capital spending included:

- \$348 million in Bridge Repair projects under the Commonwealth’s Accelerated Bridge Program;
- \$315 million in Special Transit Projects, including the Green Line Extension and procurement of new vehicles for the Red & Orange Line;
- \$223 million in Chapter 90 reimbursements to municipalities for local road and bridge projects;
- \$206 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 \$66 million in University investments in FY16;
- \$76 million for the MassWorks economic development infrastructure grants to cities and towns;
- \$54 million for environmental community investment, critical coastal infrastructure, and land protection grants;
- \$52 million for grants from the Massachusetts Life Sciences Center;
- \$46 million spent statewide on deferred maintenance for state facilities;
- \$41 million for “Accelerated Energy Program” projects that improve the efficiency of state facilities’ heating, electrical, and water systems;
- \$20 million for the MassTaxConnect electronic tax filing system, which began accepting business tax filings in FY16;
- \$13 million for Seaport Council Grants to foster economic development in coastal communities;
- \$12 million for the expansion of the Women’s Recovery from Addictions Program at Taunton State Hospital;
- \$12 million for Workforce Skills grants to vocational high schools and community colleges.

During FY16, the Commonwealth passed or agreed to terms for approximately \$200 million in bond authorizations and deauthorized approximately \$110 million in previously enacted bond authorizations.

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.

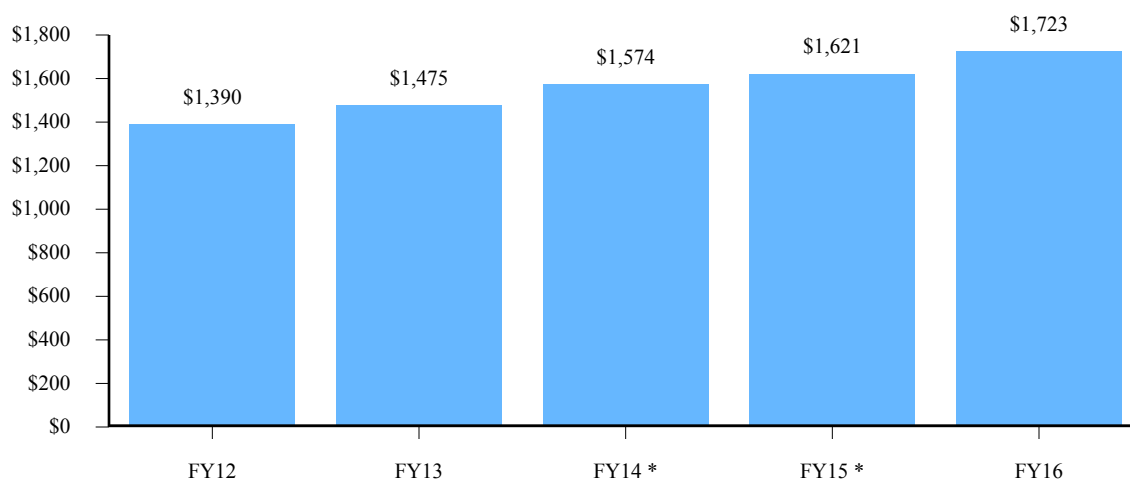
Non-Appropriated Funds Of Higher Education - Operations
(Amounts in thousands)

	2016	2015 Restated*
Beginning fund balance	\$ 1,621,183	\$ 1,574,205
Revenues and other financing sources:		
Federal grants and reimbursements	515,907	532,948
Departmental revenues	2,217,341	2,075,768
Transfers and other financing sources	1,900,951	1,679,194
Total revenues and other financing sources	4,634,200	4,287,910
Expenditures and other financing uses:		
Programs and services	4,531,953	4,240,932
Excess/(deficiency) of revenues and other financing sources over expenditures and other financing uses	102,247	46,978
Ending fund balance	<u>\$ 1,723,430</u>	<u>\$ 1,621,183</u>

*FY15 was restated by approximately \$7 million for activities previously unreported

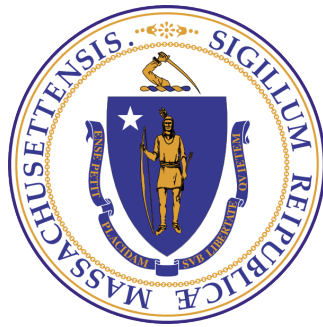
The Non-Appropriated Funds of Higher Education – Operations table above includes the FY16 activity in Higher Education funds, summarized and compared to FY15. Financial statements for each of the individual funds are included in the statistical section of this report. The following chart, Non-Appropriated Funds of Higher Education - Fund Balance, shows the combined fund balance for the past five years. The combined balance represents an approximate \$921 million fund balance for the University of Massachusetts, an approximate \$482 million fund balance for the State University (formerly the State College) system and an approximate \$321 million fund balance for the Community Colleges.

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



*FY14 and FY15 were restated due to amounts previously unreported

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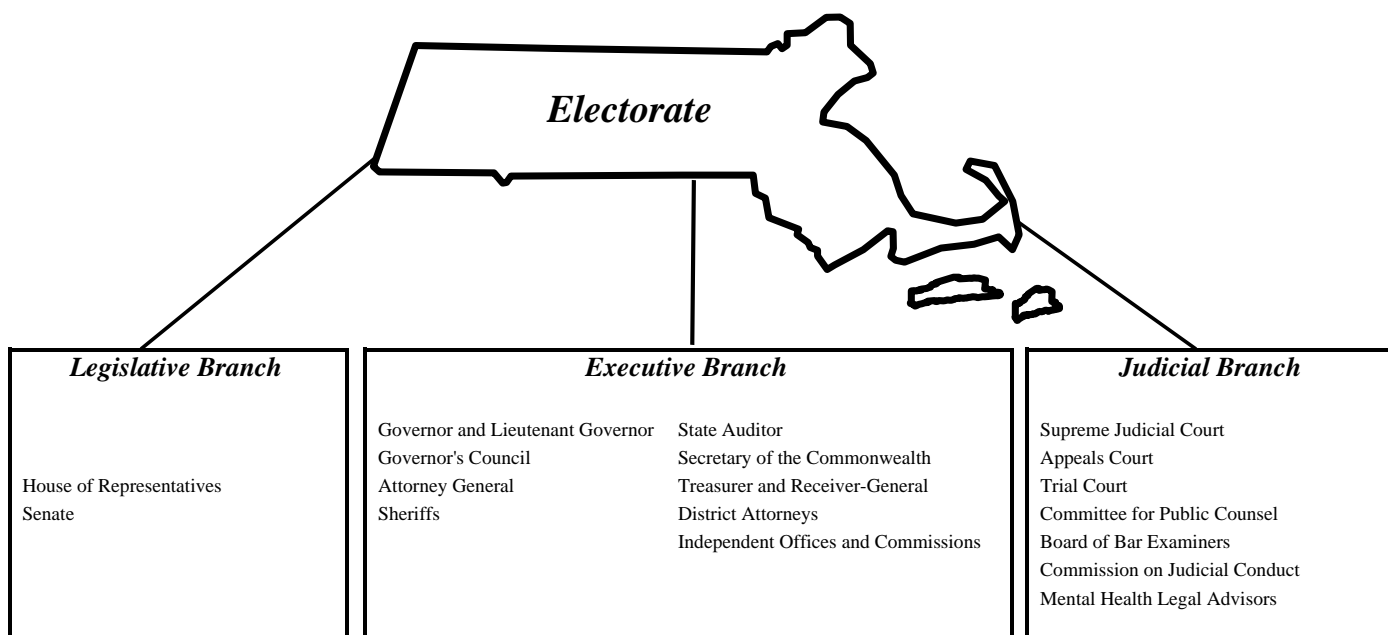
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<p><u>Education</u></p> <p>Executive Office of Education</p> <p>Department of Early Education and Care</p> <p>Department of Elementary and Secondary Education</p> <p>Department of Higher Education</p> <p>Community Colleges</p> <p>State Universities</p> <p>University of Massachusetts System</p>	<p><u>Energy and Environmental Affairs</u></p> <p>Executive Office of Energy and Environmental Affairs</p> <p>Department of Agricultural Resources</p> <p>Department of Conservation and Recreation</p> <p>Department of Energy Resources</p> <p>Department of Environmental Protection</p> <p>Department of Fish and Game</p> <p>Department of Public Utilities</p> <p>State Reclamation Board</p>	<p><u>Public Safety</u></p> <p>Executive Office of Public Safety and Security</p> <p>Chief Medical Examiner</p> <p>Department of Criminal Justice Information Services</p> <p>Department of Correction</p> <p>Department of Fire Services</p> <p>Department of Public Safety</p> <p>Department of State Police</p> <p>Massachusetts Emergency Management Agency</p> <p>Military Division/ Massachusetts National Guard</p> <p>Municipal Police Training Committee</p> <p>Parole Board</p> <p>Sex Offender Registry</p>
	<p><u>Executive Office of Transportation and Public Works</u></p>	
	<p><u>Executive Office of Labor and Workforce Development</u></p>	

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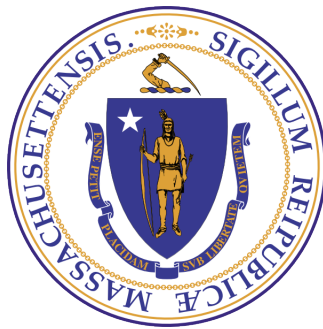
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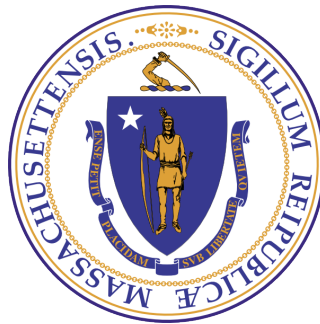
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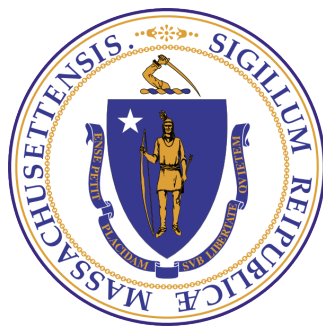


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Financial Section



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. Thomas G. Shack III, 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, 2016, and related notes as listed in the accompanying 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's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements – statutory basis in accordance with Massachusetts General Laws (hereafter referred to as the Statutory Basis of Accounting); this includes determining that the Statutory Basis of Accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the combined financial statements –statutory basis that are free from material misstatement, whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagement 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 as a basis for reporting whether we are aware of any material modifications that should be made to the combined financial statements – statutory basis for them to be in accordance with the Statutory Basis of Accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

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.

Basis of Accounting

We draw attention to notes 1 and 2 of the combined financial statements – statutory basis which describes the Statutory Basis of Accounting. The 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 the budgetary principles of the Commonwealth of Massachusetts, which is a basis of accounting other than U.S. generally accepted accounting principles. Our conclusion is not modified with respect to this matter.



Other Matter

The introductory section, combining and individual fund financial statements - statutory basis, supplemental information, and statistical section listed in the accompanying table of contents are presented for purposes of additional analysis and are not required parts of the combined financial statements – statutory basis. Such information is the representation of management.

We have reviewed the combining and individual fund financial statements – statutory basis and supplemental information, and based on our review, we are not aware of any material modifications that should be made to such information in order for it to be in accordance with the Statutory Basis of Accounting. We have not audited the information and accordingly, do not express an opinion on such information.

We have not audited or reviewed the introductory and statistical sections and, accordingly, we do not express an opinion, a conclusion, or provide any assurance on such information.

Restriction on Use

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, 2016

Combined Financial Statements - Statutory Basis

Budgeted Funds
Combined Balance Sheet - Statutory Basis

June 30, 2016
(Amounts in thousands)

	Totals (Memorandum only)	
	2016	2015
ASSETS		
Cash and short-term investments	\$ 1,609,305	\$ 1,544,284
Cash with fiscal agent	16,690	13,903
Investments	271,744	264,426
Receivables, net of allowance for uncollectibles:		
Due from federal government	377,724	712,911
Other receivables	38,823	11,274
Due from cities and towns	23,268	19,722
Total assets	<u>\$ 2,337,554</u>	<u>\$ 2,566,520</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Deficiency in cash and short-term investments	\$ 15,108	\$ —
Accounts payable	777,367	803,302
Accrued payroll	63,086	192,532
Total liabilities	<u>855,561</u>	<u>995,834</u>
Fund equity:		
Combined fund balance:		
Reserved for:		
Continuing appropriations	109,328	212,090
Commonwealth Stabilization	1,291,514	1,252,429
Debt service	16,690	13,903
Unreserved:		
Undesignated	64,461	92,264
Total fund equity	<u>1,481,993</u>	<u>1,570,686</u>
Total liabilities fund equity	<u>\$ 2,337,554</u>	<u>\$ 2,566,520</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, 2016

(Amounts in thousands)

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES AND OTHER FINANCING SOURCES			
Revenues:			
Taxes	\$ 23,940,379	\$ 23,616,920	\$ (323,459)
Assessments	431,489	419,382	(12,107)
Federal grants and reimbursements	10,260,069	10,642,720	382,651
Tobacco settlement revenue	272,049	257,616	(14,433)
Departmental	3,133,589	3,579,470	445,881
Miscellaneous	305,081	386,005	80,924
Total revenues	38,342,656	38,902,113	559,457
Other financing sources:			
Fringe benefit cost recovery	290,509	365,659	75,150
Lottery reimbursements	100,604	107,935	7,331
Lottery distributions	920,542	975,254	54,712
Operating transfers in	560,431	345,200	(215,231)
Commonwealth care trust transfer	—	44,482	44,482
Stabilization transfer	—	27,100	27,100
Other fund deficit support	—	70,707	70,707
Total other financing sources	1,872,086	1,936,337	64,251
Total revenues and other financing sources	40,214,742	40,838,450	623,708
EXPENDITURES AND OTHER FINANCING USES			
Expenditures:			
Legislature	91,447	61,368	30,079
Judiciary	888,211	878,664	9,547
Inspector General	4,459	4,315	144
Governor and Lieutenant Governor	10,590	6,603	3,987
Secretary of the Commonwealth	40,561	39,322	1,239
Treasurer and Receiver-General	212,143	205,226	6,917
Auditor of the Commonwealth	18,356	18,354	2
Attorney General	45,544	44,265	1,279
Ethics Commission	2,069	2,034	35
District Attorney	119,262	114,087	5,175
Office of Campaign & Political Finance	1,536	1,516	20
Sheriff's Departments	605,053	603,220	1,833
Disabled Persons Protection Commission	2,943	2,943	—
Board of Library Commissioners	25,333	25,333	—
Comptroller	14,539	13,911	628
Administration and Finance	2,675,684	2,299,220	376,464
Energy and Environmental Affairs	238,385	222,851	15,534
Health and Human Services	5,688,087	5,530,514	157,573
Massachusetts Department of Transportation	187,020	171,437	15,583
Office of the Child Advocate	790	595	195
Executive Office of Education	2,327,102	2,281,321	45,781
Center for Health Information and Analysis	32,563	26,625	5,938
Public Safety and Security	1,156,023	1,121,829	34,194
Housing and Economic Development	588,660	536,247	52,413
Labor and Workforce Development	78,004	45,082	32,922
Direct local aid	5,570,730	5,567,738	2,992
Medicaid	14,851,052	14,851,007	45
Post employment benefits	2,426,093	2,503,377	(77,284)
Debt service:			
Principal retirement	1,357,149	1,288,270	68,879
Interest and fiscal charges	930,143	886,037	44,106
Total expenditures	40,189,531	39,353,310	836,221
Other financing uses:			
Fringe benefit cost assessment	—	4,485	(4,485)
Operating transfers out	703,919	646,170	57,749
Stabilization transfer	—	—	—
Medical assistance transfer	1,027,500	665,564	361,936
Delivery system transformation initiatives trust transfer	189,142	186,907	2,235
Other fund deficit support	—	70,707	(70,707)
Total other financing uses	1,920,561	1,573,833	346,728
Total expenditures and other financing uses	42,110,092	40,927,143	1,182,949
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses	(1,895,350)	(88,693)	1,806,657
Fund balance (deficit) at beginning of year	1,570,686	1,570,686	—
Fund balance (deficit) at end of year	\$ (324,664)	\$ 1,481,993	\$ 1,806,657

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, 2016
 (Amounts in thousands)

	Non-Budgeted Special Revenue	Capital Projects	Totals (Memorandum only)	
			2016	2015
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes	\$ 2,183,221	\$ —	\$ 2,183,221	\$ 2,065,570
Assessments	638,305	—	638,305	607,975
Federal grants and reimbursements	3,162,489	85,759	3,248,248	3,075,045
Departmental	6,402,887	2,922	6,405,809	6,255,994
Miscellaneous	337,712	1,350	339,062	103,017
Total revenues	12,724,614	90,031	12,814,645	12,107,601
Other financing sources:				
Issuance of general obligation bonds	—	2,259,209	2,259,209	2,671,507
Bond premiums (discounts) on general obligation bonds	—	184,014	184,014	198,987
Issuance of special obligation bonds	—	500,000	500,000	447,310
Bond premiums (discounts) on special obligation bonds	—	59,535	59,535	86,372
Issuance of current refunding bonds	—	250,000	250,000	202,895
Issuance of advance refunding bonds	—	1,212,655	1,212,655	429,445
Bond premiums (discounts) on advance refunding bonds	—	211,375	211,375	75,046
Operating transfers in	653,328	—	653,328	934,374
Health safety net trust transfer	30,000	—	30,000	—
Medical assistance transfer	665,564	—	665,564	70,975
Federal reimbursement transfer in	—	500,929	500,929	468,040
State share of federal highway construction	—	93,736	93,736	171,581
Delivery system transformation initiatives trust transfer	186,907	—	186,907	—
Total other financing sources	1,535,799	5,271,453	6,807,252	5,756,532
Total revenues and other financing sources	14,260,413	5,361,484	19,621,897	17,864,133
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Judiciary	2,279	14,690	16,969	13,038
Inspector General	264	—	264	459
Governor and Lieutenant Governor	112	188	300	184
Secretary of the Commonwealth	4,825	1,535	6,360	6,987
Treasurer and Receiver-General	6,264,536	13,749	6,278,285	6,019,535
Auditor of the Commonwealth	—	2,333	2,333	3,272
Attorney General	18,231	365	18,596	12,685
Ethics Commission	—	627	627	94
District Attorney	2,338	—	2,338	1,830
Office of Campaign & Political Finance	—	—	—	1,055
Sheriff's Departments	9,632	3,572	13,204	14,188
Disabled Persons Protection Commission	66	—	66	—
Board of Library Commissioners	2,915	19,440	22,355	23,356
Massachusetts Gaming Commission	33,692	—	33,692	21,072
Comptroller	2,381	395	2,776	5,532
Administration and Finance	379,029	653,288	1,032,317	1,161,918
Energy and Environmental Affairs	168,668	235,121	403,789	401,236
Health and Human Services	2,074,966	47,140	2,122,106	1,269,777
Massachusetts Department of Transportation	1,113,180	2,002,480	3,115,660	3,125,391
Executive Office of Education	986,175	52,554	1,038,729	1,003,910
Center for Health Information and Analysis	222	—	222	1,157
Public Safety and Security	232,465	41,227	273,692	259,048
Housing and Economic Development	487,688	296,261	783,949	761,854
Labor and Workforce Development	164,260	5,099	169,359	180,083
Debt service:				
Principal retirement	196,594	—	196,594	204,219
Interest and fiscal charges	99,217	—	99,217	112,558
Total expenditures	12,243,734	3,390,064	15,633,799	14,604,438
Other financing uses:				
Payments to advance refunding bonds escrow	—	1,424,030	1,424,030	504,491
Principal on current refundings	—	250,000	250,000	202,895
Fringe benefit cost assessment	166,947	13,490	180,437	173,504
Lottery operating reimbursements	107,935	—	107,935	104,238
Lottery distributions	975,255	—	975,255	947,250
Operating transfers out	249,497	2	249,499	352,119
Stabilization transfer	—	—	—	20,000
Commonwealth care trust transfer	44,482	—	44,482	—
Health safety net trust transfer	30,000	—	30,000	—
Federal reimbursement transfer out	500,928	—	500,928	468,040
State share of federal highway construction	—	93,736	93,736	55,410
Total other financing uses	2,075,044	1,781,258	3,856,302	2,827,947
Total expenditures and other financing uses	14,318,778	5,171,322	19,490,101	17,432,385
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses	(58,365)	190,162	131,796	431,748
Fund balance (deficit) at beginning of year (restated)	2,125,275	(524,860)	1,600,415	1,168,667
Fund balance (deficit) at end of year	\$ 2,066,910	\$ (334,698)	\$ 1,732,211	\$ 1,600,415

See accompanying notes to financial statements and accountants' review report

1. FINANCIAL STATEMENT PRESENTATION	32
A. <i>INTRODUCTION</i>	32
B. <i>GOVERNMENTAL FUND TYPES</i>	32
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	32
A. <i>STATUTORY BASIS OF ACCOUNTING</i>	32
B. <i>CASH, SHORT-TERM INVESTMENTS AND INVESTMENTS</i>	33
C. <i>DEDICATED REVENUE AND PLEDGES</i>	33
D. <i>INTERFUND/INTRAFUND TRANSACTIONS</i>	34
E. <i>CURRENT EMPLOYEE BENEFITS</i>	35
F. <i>FRINGE BENEFIT COST RECOVERY</i>	35
G. <i>LOTTERY REVENUE AND PRIZES</i>	35
H. <i>RECEIVABLES</i>	35
I. <i>DUE FROM CITIES AND TOWNS</i>	35
J. <i>RISK MANAGEMENT</i>	35
K. <i>ENCUMBRANCES</i>	36
L. <i>FUND BALANCES</i>	36
M. <i>TOTAL COLUMN - MEMORANDUM ONLY</i>	36
N. <i>ESTIMATES</i>	36
O. <i>RECLASSIFICATION</i>	36
P. <i>BEGINNING OF YEAR FUND BALANCE</i>	36
3. BUDGETARY CONTROL	37
4. MASSACHUSETTS DEPARTMENT OF TRANSPORTATION (MassDOT)	38
5. INDIVIDUAL FUND DEFICITS	39
6. MEDICAID COSTS	39

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 twelve 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 Community First Trust Fund, the Massachusetts Tourism Fund, the Local Capital Projects Fund, the Gaming Local Aid 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 that 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, provided that the related revenues are received by the Commonwealth by August 31, the end of the statutory accounts receivable period. 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, authorized under Section 3(8)C of Chapter 32 of the Massachusetts General Laws, provided that the revenues are received by August 31. However, the FY16 final supplemental appropriations act (Chapter 283 of the Acts of 2016) required that the Comptroller record as FY16 revenues two payments from the Massachusetts Housing Financial Agency (MHFA) totaling \$9 million that were received in October 2016, after the accounts receivable period ended.

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 highway reimbursements are dedicated to funding the principal portion only of federal grant anticipation notes (GANs) issued in fiscal 2011, 2014, and 2015. During FY16, there were no new GANs issued under the Commonwealth's Accelerated Bridge Program. As of June 30, 2016, total principal remaining to be paid was approximately \$657 million. Maturities are from FY17 through FY27. Debt service paid during FY16 was approximately \$75 million.

In FY16, the Commonwealth issued approximately \$50 million in special obligation bonds under the Accelerated Bridge Program (ABP) and \$450 million under the Rail Enhancement Program (REP). These bonds mature from FY17 to FY45 and are secured by a senior lien on 17 cents of the total 24 cents per gallon gasoline tax, the full 24 cents per gallon of special fuels taxes (comprised primarily of taxes on diesel fuel), and the full 19.1% of the average price per gallon tax on liquefied natural gas and all Registry of Motor Vehicle fees deposited into the Commonwealth Transportation Fund (CTF). These bonds also have a subordinate lien on 6.86 cents of the 24 cent per gallon gasoline

tax not included in the senior lien. As of June 30, 2016, approximately \$1.536 billion and \$450 million in principal was outstanding on the ABP and REP bonds, respectively, and approximately \$1.183 billion and \$358 million of interest (net of the federal subsidy) was expected to be paid through maturity related to the ABP and REP bonds, respectively.

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 24 cent per gallon gasoline tax, with no new debt issued during FY16. As of June 30, 2016, bonds secured by these pledged funds totaled approximately \$171 million of principal. These bonds mature from FY17 to FY22 and were issued in multiple series. Principal and interest paid during FY16 amounted to approximately \$40 million and \$11 million, respectively. The lien on these bonds has been closed, meaning that no additional new-money bonds can be issued against these revenues under this trust agreement.

A portion of the Commonwealth's receipts from the sales tax (other than the tax on meals) is dedicated through non-budgeted special revenue funds to the Massachusetts Bay Transportation Authority (MBTA) and the Massachusetts School Building Authority (MSBA). The amount dedicated to the MBTA is the amount raised by a 1.0% sales tax (not including meals), subject to an inflation-adjusted floor. A comparable amount, though without the floor, is dedicated to the MSBA beginning in fiscal 2010, with lesser amounts having been dedicated to the MSBA from fiscal 2005 through fiscal 2009.

Legislation approved by the Governor on October 31, 2014 increased the amount statutorily required to be credited to the MBTA by \$160 million annually, starting in fiscal 2015. The \$160 million increase in the dedicated sales tax revenue amount and the amount included in the inflation-adjusted floor were intended to replace the \$160 million annual state appropriation the MBTA received from fiscal 2010 through fiscal 2014. In FY16, total dedicated sales tax revenue that was directed to the MBTA was approximately \$986 million. 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 starting in FY11 of a 1.0% sales tax (not including meals) but with no annual floor or ceiling. In FY16, approximately \$799 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, 2016, taxes within the Convention Center districts support approximately \$598 million of outstanding principal and approximately \$355 million of interest on debts related to these Convention Centers. Taxes collected in FY16 were approximately \$135 million, while debt service on the bonds was approximately \$55 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, 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 FY16, approximately \$536 million in sales tax revenue was transferred to MassDOT. From the Commonwealth Transportation Fund, \$171 million was dedicated to funding the operations of the MBTA while an additional \$82 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 \$15 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 \$366 million into the General Fund results from cost assessments from the other budgeted funds, non-budgeted special revenue funds, capital funds, 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.

“Designated 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, 2015, 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 FY15 were reclassified to conform to current year presentation.

P. BEGINNING OF YEAR FUND BALANCE

The beginning balances of the General Fund and the Manufacturing Fund were restated to reflect the transfer of balances to the General Fund.

The beginning fund balance of the University of Massachusetts System and the combined Higher Education funds were restated to reflect activities which were not previously reported during fiscal year 2015.

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 affected accounts' expenditure budgets.

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 required to pay certain Medicaid expenses regardless of appropriations, due to superseding federal law.

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, subject to appropriation.

The following table summarizes budgetary activity for FY16 (amounts in thousands):

	Revenues	Expenditures
General Appropriation Act, Chapter 46 of the Acts of 2015:		
Direct appropriations	\$ 38,146,700	\$ 37,842,036
Estimated revenues, transfers, retained revenue appropriations, and appropriations carried forward from FY2015	—	1,313,841
Total original budget	38,146,700	39,155,877
Supplemental Acts of 2015:		
Chapter 119	—	565,925
Supplemental Acts of 2016:		
Chapter 70	—	136,014
Chapter 155	—	24,434
Chapter 283	—	186,837
Total budgeted revenues and expenditures per Legislative action	—	913,210
Chapter 29, Section 9C Reductions	—	(46,995)
Plus: Pension contributions and revenue authorized outside of General Appropriation Act, and other transfers of revenue and spending	2,068,042	2,088,000
Budgeted revenues and expenditures as reported	<u>\$ 40,214,742</u>	<u>\$ 42,110,092</u>

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

	Revenues and Other Financing Sources	Expenditures and Other Financing Uses
Actual as presented in the combined budget and actual statement - statutory basis	\$ 40,838,450	\$ 40,927,143
Adjustments to revenues and expenditures:		
Transfer of revenues to the Intragovernmental Service Fund	(385,270)	(385,270)
Adjustments to other financing sources and uses:		
Fringe benefit cost assessments	(4,485)	(4,485)
Transfer of surplus revenues from the Intragovernmental Service Fund to the General Fund	(8,721)	(8,721)
RMV license plates	(3,524)	(3,524)
Other fund deficit support	(70,708)	(70,708)
Other	(190)	(190)
Actual as presented on budgetary documents	<u>\$ 40,365,552</u>	<u>\$ 40,454,245</u>

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

The Office of the Comptroller has the responsibility to ensure that budgetary control is maintained on an individual appropriation account basis. Budgetary control is exercised through the state accounting system, 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

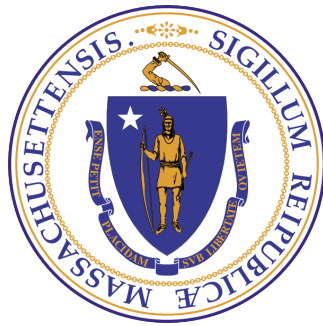
The following Non-Budgeted Special Revenue and Capital Projects Funds are included in the combined totals and have individual fund deficits at June 30, 2016, as follows (amounts in thousands) (excludes MassDOT):

Non-Budgeted Special Revenue:	
Federal Grants Fund	\$ (9,707)
Other:	
Health Information Technology Trust Fund	(3,963)
Government Land Bank Fund	(35,033)
Total Non-Budgeted Special Revenue Funds	<u>(48,703)</u>
Capital Projects:	
General Capital Projects Fund	(198,836)
Highway Capital Projects Fund	(180,744)
Total Capital Projects Funds	<u>(379,580)</u>
Total	<u>\$ (428,283)</u>

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.

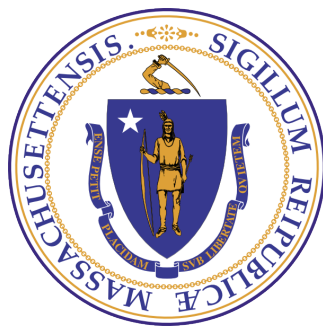
6. MEDICAID COSTS

Approximately 43.3% 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, 2016, the General Fund includes approximately \$14.851 billion in expenditures for Medicaid claims. The combined financial statements - statutory basis includes Medicaid claims processed but unpaid at June 30, 2016 of approximately \$11 million as accounts payable.



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Combining and Individual Fund Financial Statements - Statutory Basis



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Individual Budgeted Funds

Budgeted funds are those funds subject to appropriation in either the annual General Appropriation Act (GAA) or other appropriations bills. Unless otherwise specified, budgeted funds are also subject to Section 5C of Chapter 29 of the Massachusetts General Laws (MGL), which defines the “consolidated net surplus” calculation (and determines whether the annual budget is in balance) as well as year-end transfers to eliminate deficits in 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, 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. In addition, transfers are required for fiscal year capital gains tax revenues exceeding \$1 billion (adjusted annually for economic growth) and judgments and settlements of more than \$10 million that exceed the previous 5 year’s average of judgments and settlements. These transfers were suspended for fiscal year 2016.

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. Budgeted funds are subject to Section 5C of Chapter 29 of the MGL, calculation of year-end transfers, unless specified otherwise.

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

BUDGETED ENVIRONMENTAL FUNDS:

The Environmental funds are exempt from Section 5C of Chapter 29 of the MGL, calculation of year-end transfers.

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 saltwater 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 MGL. 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 MGL, to preserve and promote public safety. The fund is not included in the consolidated net surplus calculation Section 5C of Chapter 29 of the MGL, or the year-end transfers to eliminate deficits in the consolidated net surplus funds.

Community First Trust Fund - The secretary of health and human services may expend amounts in excess of the \$16 million collected from federal reimbursements in the nonbudgeted Community First Trust Fund to ensure compliance with the state balancing incentive payment program. Monies deposited in the fund are used for non-institutionally-based long-term services and support. The fund is not included in the consolidated net surplus calculation Section 5C of Chapter 29 of the MGL, nor in the year-end transfers to eliminate deficits in the consolidated net surplus funds.

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 generated by the casino license fees and by the tax on revenues generated by casinos (but not the slots parlor), once they are operational. Even though this fund did not have FY16 activity, it is presented here for comparative purposes as there was FY15 activity.

Gaming Local Aid Fund - to account for gaming tax revenues generated by the tax on casino revenues. The fund is used by finance local aid distributions.

Local Aid Stabilization Fund - to account for gaming tax revenues generated by casinos. Monies are used to supplement local aid distributions to cities and towns. The fund is not included in the consolidated net surplus calculation Section 5C of Chapter 29 of the MGL, nor in the year-end transfers to eliminate deficits in the consolidated net surplus funds.

Manufacturing Fund - To account for a portion of gaming facility license fees. Even though this fund did not have FY16 activity, it is presented here for comparative purposes as it had activity in FY15.

Community College Fund - to account for a portion of gaming license fees. Even though this fund did not have FY16 activity, it is presented here for comparative purposes as it had activity in FY15.

The following funds have been enacted in legislation but had no activity in FY16 and are not presented in this report:

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 MGL. 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. The mechanism transferring tax revenues to the fund was repealed effective January 1, 2013, but the fund itself was not repealed.

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

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

Substance Abuse Prevention and Treatment Fund - to account for sales tax revenues (non-dedicated) collected from the sale of alcoholic beverages, with the funds 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, but the fund itself was not repealed.

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.

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.

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 MGL. Amounts credited to the fund are used for the implementation and enforcement of said Sections 6C to 6I.

Home and Community-based Services Policy Lab Fund - to account for any appropriations authorized by the general court and specifically designated to be credited to the fund and any additional nonstate-sourced funds as designated by the secretary of elder affairs including, but not limited to, federal or private grants or donations. The fund is used to support research and analysis which would enhance the development, evaluation, design and continued improvement of programs rendering home and community-based services to individuals who need long-term services and support.

Regional Water Entity Reimbursement Fund - to account for amounts to reimburse the Massachusetts Water Resources Authority for its costs in providing cities and towns financial assistance in the form of interest free grants and loans to rehabilitate collection systems. Such reimbursement shall be in addition to the contract assistance amounts in section 6 of chapter 29C, but not be greater than 10 % of the maximum amount set forth in chapter 29C.

Education Fund - to account for a portion of the funds generated by the tax on casino (but not slots parlor) revenue. 35% of the funds received are to be appropriated for higher education purposes, and that any appropriations for either higher education or K-12 education from this fund are required to supplement, not offset, General Appropriation Act spending.

Gaming Economic Development Fund - to account for a portion of the funds generated by the tax on casino (but not slots parlor) revenue. Expenditures from the are to be used to support economic development and job growth.

Agricultural Reserve and Security Fund - to account for gifts, grants, donations, federal reimbursements and grants plus any interest earned from the Fund. Expenditures are to be used to foster agriculture in the Commonwealth and other purposes of the Department of Agricultural Resources.

Budgeted Funds
Combining Balance Sheet - Statutory Basis

June 30, 2016

(Amounts in thousands)

				Administrative Control
	General	Commonwealth Transportation	Commonwealth Stabilization	Intragovernmental Service
ASSETS				
Cash and short-term investments	\$ 487,253	\$ —	\$ 1,019,769	\$ 34,342
Cash with fiscal agent	—	16,690	—	—
Investments	—	—	271,745	—
Receivables, net of allowance for uncollectibles:				
Due from federal government	377,724	—	—	—
Other receivables	23,240	15,583	—	—
Due from cities and towns	23,268	—	—	—
Total assets	<u>\$ 911,485</u>	<u>\$ 32,273</u>	<u>\$ 1,291,514</u>	<u>\$ 34,342</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Deficiency in cash and short-term investments	\$ —	\$ 15,108	\$ —	\$ —
Accounts payable	746,749	475	—	26,854
Accrued payroll	60,860	—	—	2,036
Total liabilities	<u>807,609</u>	<u>15,583</u>	<u>—</u>	<u>28,890</u>
Fund balance (deficit):				
Reserved for:				
Continuing appropriations	103,876	—	—	5,452
Commonwealth Stabilization	—	—	1,291,514	—
Debt service	—	16,690	—	—
Unreserved:				
Undesignated	—	—	—	—
Total fund equity (deficit)	<u>103,876</u>	<u>16,690</u>	<u>1,291,514</u>	<u>5,452</u>
Total liabilities and fund equity	<u>\$ 911,485</u>	<u>\$ 32,273</u>	<u>\$ 1,291,514</u>	<u>\$ 34,342</u>

See accountants' review report

Environmental		Budgeted Other				
Inland Fisheries and Game	Marine Recreational Fisheries Development	Public Safety Training	Community First Trust	Massachusetts Tourism	Local Capital Projects	
\$ 16,569	\$ 2,825	\$ 2,490	\$ 44,621	\$ 1,385	\$ —	
—	—	—	—	—	—	
—	—	—	—	—	—	
—	—	—	—	—	—	
—	—	—	—	—	—	
—	—	—	—	—	—	
\$ 16,569	\$ 2,825	\$ 2,490	\$ 44,621	\$ 1,385	\$ —	

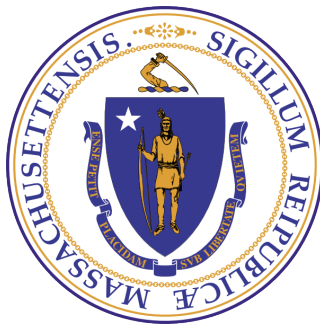
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
1,814	115	—	—	1,359	—
156	8	—	—	26	—
<u>1,970</u>	<u>123</u>	<u>—</u>	<u>—</u>	<u>1,385</u>	<u>—</u>
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
14,599	2,702	2,490	44,621	—	—
<u>14,599</u>	<u>2,702</u>	<u>2,490</u>	<u>44,621</u>	<u>—</u>	<u>—</u>
<u>\$ 16,569</u>	<u>\$ 2,825</u>	<u>\$ 2,490</u>	<u>\$ 44,621</u>	<u>\$ 1,385</u>	<u>\$ —</u>

continued

Budgeted Funds
Combining Balance Sheet - Statutory Basis
Fiscal Year Ended June 30, 2016
(Amounts in thousands)

	Budgeted Other				Totals (Memorandum only)	
	Gaming Local Aid	Local Aid Stabilization	Manufacturing	Community College	2016	2015
ASSETS						
Cash and short-term investments.....	\$ —	\$ 50	\$ —	\$ —	\$ 1,609,305	\$ 1,544,284
Cash with fiscal agent.....	—	—	—	—	16,690	13,903
Investments.....	—	—	—	—	271,744	264,426
Receivables, net of allowance for uncollectibles:.....						
Due from federal government.....	—	—	—	—	377,724	712,911
Other receivables.....	—	—	—	—	38,823	11,274
Due from cities and towns.....	—	—	—	—	23,268	19,722
Total assets.....	<u>\$ —</u>	<u>\$ 50</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,337,554</u>	<u>\$ 2,566,520</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Deficiency in cash and short-term investments.....	\$ —	\$ —	\$ —	\$ —	\$ 15,108	\$ —
Accounts payable.....	—	—	—	—	777,367	803,302
Accrued payroll.....	—	—	—	—	63,086	192,532
Total liabilities.....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>855,561</u>	<u>995,834</u>
Fund balance (deficit):						
Reserved for:						
Continuing appropriations.....	—	—	—	—	109,328	212,090
Commonwealth Stabilization.....	—	—	—	—	1,291,514	1,252,429
Debt service.....	—	—	—	—	16,690	13,903
Unreserved:						
Undesignated.....	—	50	—	—	64,461	92,264
Total fund equity (deficit).....	<u>—</u>	<u>50</u>	<u>—</u>	<u>—</u>	<u>1,481,993</u>	<u>1,570,686</u>
Total liabilities and fund equity.....	<u>\$ —</u>	<u>\$ 50</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,337,554</u>	<u>\$ 2,566,520</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, 2016
(Amounts in thousands)

	General	Commonwealth Transportation	Commonwealth Stabilization	Administrative Control Intragovernmental Service
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes	\$ 22,257,084	\$ 1,301,318	\$ 744	\$ —
Assessments	395,984	23,398	—	—
Federal grants and reimbursements	10,585,466	—	—	—
Tobacco settlement revenue	257,616	—	—	—
Departmental	2,505,504	661,268	—	402,100
Miscellaneous	367,327	7,371	11,241	—
Total revenues	36,368,981	1,993,355	11,985	402,100
Other financing sources:				
Fringe benefit cost recovery	365,659	—	—	—
Lottery reimbursements	107,935	—	—	—
Lottery distributions	975,254	—	—	—
Operating transfers in	280,653	—	—	—
Commonwealth care trust transfer	44,482	—	—	—
Stabilization transfer	—	—	27,100	—
Other fund deficit support	30,031	—	—	—
Total other financing sources	1,804,014	—	27,100	—
Total revenues and other financing sources	38,172,995	1,993,355	39,085	402,100
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Legislature	61,368	—	—	—
Judiciary	878,663	—	—	—
Inspector General	4,315	—	—	—
Governor and Lieutenant Governor	6,576	—	—	—
Secretary of the Commonwealth	39,322	—	—	—
Treasurer and Receiver-General	205,226	—	—	—
Auditor of the Commonwealth	18,354	—	—	—
Attorney General	44,265	—	—	—
Ethics Commission	2,034	—	—	—
District Attorney	114,084	—	—	—
Office of Campaign & Political Finance	1,516	—	—	—
Sheriff's Departments	603,220	—	—	—
Disabled Persons Protection Commission	2,943	—	—	—
Board of Library Commissioners	25,333	—	—	—
Comptroller	8,870	—	—	5,041
Administration and Finance	2,076,261	—	—	222,855
Energy and Environmental Affairs	203,683	—	—	1,471
Health and Human Services	5,383,102	—	—	97,554
Massachusetts Department of Transportation	—	171,417	—	—
Office of the Child Advocate	595	—	—	—
Executive Office of Education	2,280,888	—	—	432
Center for Health Information and Analysis	26,625	—	—	—
Public Safety and Security	1,065,606	—	—	56,223
Housing and Economic Development	512,117	—	—	1,666
Labor and Workforce Development	45,082	—	—	—
Direct local aid	5,462,705	—	—	—
Medicaid	14,851,007	—	—	—
Post employment benefits	2,461,159	42,218	—	—
Debt service:				
Principal retirement	561,002	713,596	—	13,671
Interest and fiscal charges	424,579	461,458	—	—
Total expenditures	37,370,500	1,388,689	—	398,913
Other financing uses:				
Fringe benefit cost assessment	—	—	—	—
Operating transfers out	45,572	566,790	—	8,721
Stabilization transfer	—	—	—	—
Medical assistance transfer	665,564	—	—	—
Delivery system transformation initiatives trust transfer	186,907	—	—	—
Other fund deficit support	—	35,089	—	—
Total other financing uses	898,043	601,879	—	8,721
Total expenditures and other financing uses	38,268,543	1,990,568	—	407,634
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing use	(95,548)	2,787	39,085	(5,534)
Fund balance (deficit) at beginning of year	199,424	13,903	1,252,429	10,986
Fund balance (deficit) at end of year	\$ 103,876	\$ 16,690	\$ 1,291,514	\$ 5,452

See accountants' review report

Environmental		Budgeted Other			
Inland Fisheries and Game	Marine Recreational Fisheries Development	Public Safety Training	Community First Trust	Massachusetts Tourism	Local Capital Projects
\$ 1,001	\$ —	\$ —	\$ —	\$ 56,772	\$ —
—	—	—	—	—	—
8,824	—	—	48,430	—	—
—	—	—	—	—	—
7,787	1,502	1,308	—	—	—
66	—	—	—	—	—
17,678	1,502	1,308	48,430	56,772	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
190	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
190	—	—	—	—	—
17,868	1,502	1,308	48,430	56,772	—
—	—	—	—	—	—
—	—	—	2	—	—
—	—	—	—	—	—
—	—	—	—	27	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	2	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
105	—	—	—	—	—
16,468	1,228	—	—	—	—
—	—	—	49,859	—	—
—	—	—	—	20	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	80	22,384	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
16,573	1,228	—	49,943	22,431	—
2,730	138	—	1,212	404	—
—	—	—	25,087	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	35,618	—
2,730	138	—	26,299	36,022	—
19,303	1,366	—	76,242	58,453	—
(1,435)	136	1,308	(27,812)	(1,681)	—
16,034	2,566	1,182	72,433	1,681	—
\$ 14,599	\$ 2,702	\$ 2,490	\$ 44,621	\$ —	\$ —

continued

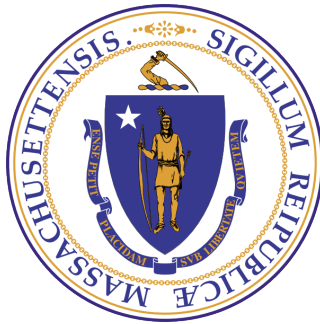
Budgeted Funds

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

Fiscal Year Ended June 30, 2016
(Amounts in thousands)

	Budgeted Other				Totals (Memorandum only)	
	Gaming Local Aid	Local Aid Stabilization	Manufacturing	Community College	2016	2015
REVENUES AND OTHER FINANCING SOURCES						
Revenues:						
Taxes	\$ —	\$ —	\$ —	\$ —	\$ 23,616,920	\$ 23,173,799
Assessments	—	—	—	—	419,382	425,316
Federal grants and reimbursements	—	—	—	—	10,642,720	9,480,404
Tobacco settlement revenue	—	—	—	—	257,616	245,839
Departmental	—	—	—	—	3,579,470	3,280,789
Miscellaneous	—	—	—	—	386,005	262,895
Total revenues	—	—	—	—	38,902,113	36,869,043
Other financing sources:						
Fringe benefit cost recovery	—	—	—	—	365,659	329,606
Lottery reimbursements	—	—	—	—	107,935	104,238
Lottery distributions	—	—	—	—	975,254	947,250
Operating transfers in	64,356	—	—	—	345,200	343,934
Commonwealth care trust transfer	—	—	—	—	44,482	—
Stabilization transfer	—	—	—	—	27,100	288,313
Other fund deficit support	40,677	—	—	—	70,707	89,478
Total other financing sources	105,033	—	—	—	1,936,337	2,102,819
Total revenues and other financing sources	105,033	—	—	—	40,838,450	38,971,862
EXPENDITURES AND OTHER FINANCING USES						
Expenditures:						
Legislature	—	—	—	—	61,368	60,465
Judiciary	—	—	—	—	878,664	839,454
Inspector General	—	—	—	—	4,315	4,521
Governor and Lieutenant Governor	—	—	—	—	6,603	6,368
Secretary of the Commonwealth	—	—	—	—	39,322	44,891
Treasurer and Receiver-General	—	—	—	—	205,226	203,312
Auditor of the Commonwealth	—	—	—	—	18,354	17,768
Attorney General	—	—	—	—	44,265	43,134
Ethics Commission	—	—	—	—	2,034	1,914
District Attorney	—	—	—	—	114,087	108,677
Office of Campaign & Political Finance	—	—	—	—	1,516	1,433
Sheriff's Departments	—	—	—	—	603,220	581,157
Disabled Persons Protection Commission	—	—	—	—	2,943	2,724
Board of Library Commissioners	—	—	—	—	25,333	25,301
Comptroller	—	—	—	—	13,911	13,568
Administration and Finance	—	—	—	—	2,299,220	2,323,887
Energy and Environmental Affairs	—	—	—	—	222,851	226,430
Health and Human Services	—	—	—	—	5,530,514	5,398,933
Massachusetts Department of Transportation	—	—	—	—	171,437	122,553
Office of the Child Advocate	—	—	—	—	595	—
Executive Office of Education	—	—	—	—	2,281,321	2,214,194
Center for Health Information and Analysis	—	—	—	—	26,625	26,405
Public Safety and Homeland Security	—	—	—	—	1,121,829	1,091,441
Housing and Economic Development	—	—	—	—	536,247	519,220
Labor and Workforce Development	—	—	—	—	45,082	43,198
Direct local aid	105,033	—	—	—	5,567,738	5,420,412
Medicaid	—	—	—	—	14,851,007	13,655,213
Post employment benefits	—	—	—	—	2,503,377	2,287,113
Debt service:						
Principal retirement	—	—	—	—	1,288,270	1,290,529
Interest and fiscal charges	—	—	—	—	886,037	899,875
Total expenditures	105,033	—	—	—	39,353,310	37,474,091
Other financing uses:						
Fringe benefit cost assessment	—	—	—	—	4,485	2,863
Operating transfers out	—	—	—	—	646,170	829,826
Stabilization transfer	—	—	—	—	—	268,313
Medical assistance transfer	—	—	—	—	665,564	70,975
Delivery system transformation initiatives trust transfer	—	—	—	—	186,907	116,171
Other fund deficit support	—	—	—	—	70,707	89,478
Total other financing uses	—	—	—	—	1,573,833	1,377,627
Total expenditures and other financing uses	105,033	—	—	—	40,927,143	38,851,718
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing use	—	—	—	—	(88,693)	120,144
Fund balance (deficit) at beginning of year	—	50	—	—	1,570,686	1,450,542
Fund balance (deficit) at end of year	\$ —	\$ 50	\$ —	\$ —	\$ 1,481,993	\$ 1,570,686

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, 2016

(Amounts in thousands)

	General			Commonwealth Transportation		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES AND OTHER FINANCING SOURCES						
Revenues:						
Taxes	\$ 22,604,053	\$ 22,257,084	\$ (346,969)	\$ 1,301,426	\$ 1,301,318	\$ (108)
Assessments	408,336	395,984	(12,352)	23,153	23,398	245
Federal grants and reimbursements	10,219,269	10,585,466	366,197	—	—	—
Tobacco settlement revenue	272,049	257,616	(14,433)	—	—	—
Departmental	2,485,327	2,505,504	20,177	639,499	661,268	21,769
Miscellaneous	298,793	367,327	68,534	707	7,371	6,664
Total revenues	36,287,827	36,368,981	81,154	1,964,785	1,993,355	28,570
Other financing sources:						
Fringe benefit cost recovery	290,509	365,659	75,150	—	—	—
Lottery reimbursements	100,604	107,935	7,331	—	—	—
Lottery distributions	920,542	975,254	54,712	—	—	—
Operating transfers in	359,261	280,653	(78,608)	96,000	—	(96,000)
Commonwealth care trust transfer	—	44,482	44,482	—	—	—
Stabilization transfer	—	—	—	—	—	—
Other fund deficit support	—	30,031	30,031	—	—	—
Total other financing sources	1,670,916	1,804,014	133,098	96,000	—	(96,000)
Total revenues and other financing sources	37,958,743	38,172,995	214,252	2,060,785	1,993,355	(67,430)
EXPENDITURES AND OTHER FINANCING USES						
Expenditures:						
Legislature	91,447	61,368	30,079	—	—	—
Judiciary	888,209	878,663	9,546	—	—	—
Inspector General	4,459	4,315	144	—	—	—
Governor and Lieutenant Governor	10,563	6,576	3,987	—	—	—
Secretary of the Commonwealth	40,445	39,322	1,123	—	—	—
Treasurer and Receiver-General	212,143	205,226	6,917	—	—	—
Auditor of the Commonwealth	18,356	18,354	2	—	—	—
Attorney General	45,544	44,265	1,279	—	—	—
Ethics Commission	2,069	2,034	35	—	—	—
District Attorney	119,259	114,084	5,175	—	—	—
Office of Campaign & Political Finance	1,536	1,516	20	—	—	—
Sheriff's Departments	605,053	603,220	1,833	—	—	—
Disabled Persons Protection Commission	2,943	2,943	—	—	—	—
Board of Library Commissioners	25,333	25,333	—	—	—	—
Comptroller	9,014	8,870	144	—	—	—
Administration and Finance	2,371,037	2,076,261	294,776	—	—	—
Energy and Environmental Affairs	218,400	203,683	14,717	—	—	—
Health and Human Services	5,510,011	5,383,102	126,909	—	—	—
Massachusetts Department of Transportation	—	—	—	187,000	171,417	15,583
Office of the Child Advocate	790	595	195	—	—	—
Executive Office of Education	2,325,242	2,280,888	44,354	—	—	—
Center for Health Information and Analysis	32,563	26,625	5,938	—	—	—
Public Safety and Security	1,092,213	1,065,606	26,607	—	—	—
Housing and Economic Development	555,795	512,117	43,678	—	—	—
Labor and Workforce Development	58,963	45,082	13,881	—	—	—
Direct local aid	5,465,696	5,462,705	2,991	—	—	—
Medicaid	14,851,052	14,851,007	45	—	—	—
Post employment benefits	2,426,093	2,461,159	(35,066)	—	42,218	(42,218)
Debt service:						
Principal retirement	590,664	561,002	29,662	752,814	713,596	39,218
Interest and fiscal charges	447,027	424,579	22,448	483,116	461,458	21,658
Total expenditures	38,021,919	37,370,500	651,419	1,422,930	1,388,689	34,241
Other financing uses:						
Fringe benefit cost assessment	—	—	—	—	—	—
Operating transfers out	115,653	45,572	70,081	588,266	566,790	21,476
Medical assistance transfer	1,027,500	665,564	361,936	—	—	—
Delivery system transformation initiatives trust	189,142	186,907	2,235	—	—	—
Other fund deficit support	—	—	—	—	35,089	(35,089)
Total other financing uses	1,332,295	898,043	434,252	588,266	601,879	(13,613)
Total expenditures and other financing uses	39,354,214	38,268,543	1,085,671	2,011,196	1,990,568	20,628
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing use	(1,395,471)	(95,548)	1,299,923	49,589	2,787	(46,802)
Fund balance (deficit) at beginning of year	199,424	199,424	—	13,903	13,903	—
Fund balance (deficit) at end of year	\$ (1,196,047)	\$ 103,876	\$ 1,299,923	\$ 63,492	\$ 16,690	\$ (46,802)

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, 2016

(Amounts in thousands)

	Environmental			Budgeted Other		
	Marine Recreational Fisheries Development			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	1,418	1,502	84	—	1,308	1,308
Miscellaneous	—	—	—	—	—	—
Total revenues	1,418	1,502	84	—	1,308	1,308
Other financing sources:						
Fringe benefit cost recovery	—	—	—	—	—	—
Lottery reimbursements	—	—	—	—	—	—
Lottery distributions	—	—	—	—	—	—
Operating transfers in	—	—	—	—	—	—
Commonwealth care trust transfer	—	—	—	—	—	—
Stabilization transfer	—	—	—	—	—	—
Other fund deficit support	—	—	—	—	—	—
Total other financing sources	—	—	—	—	—	—
Total revenues and other financing sources	1,418	1,502	84	—	1,308	1,308
EXPENDITURES AND OTHER FINANCING						
Expenditures:						
Legislature	—	—	—	—	—	—
Judiciary	—	—	—	—	—	—
Inspector General	—	—	—	—	—	—
Governor and Lieutenant Governor	—	—	—	—	—	—
Secretary of the Commonwealth	—	—	—	—	—	—
Treasurer and Receiver-General	—	—	—	—	—	—
Auditor of the Commonwealth	—	—	—	—	—	—
Attorney General	—	—	—	—	—	—
Ethics Commission	—	—	—	—	—	—
District Attorney	—	—	—	—	—	—
Office of Campaign & Political Finance	—	—	—	—	—	—
Sheriff's Departments	—	—	—	—	—	—
Disabled Persons Protection Commission	—	—	—	—	—	—
Board of Library Commissioners	—	—	—	—	—	—
Comptroller	—	—	—	—	—	—
Administration and Finance	—	—	—	—	—	—
Energy and Environmental Affairs	1,306	1,228	78	—	—	—
Health and Human Services	—	—	—	—	—	—
Massachusetts Department of Transportation	—	—	—	—	—	—
Office of the Child Advocate	—	—	—	—	—	—
Executive Office of Education	—	—	—	—	—	—
Center for Health Information and Analysis	—	—	—	—	—	—
Public Safety and 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	1,306	1,228	78	—	—	—
Other financing uses:						
Fringe benefit cost assessment	—	138	(138)	—	—	—
Operating transfers out	—	—	—	—	—	—
Medical assistance transfer	—	—	—	—	—	—
Delivery system transformation initiatives trust	—	—	—	—	—	—
Other fund deficit support	—	—	—	—	—	—
Total other financing uses	—	138	(138)	—	—	—
Total expenditures and other financing uses	1,306	1,366	(60)	—	—	—
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing use	112	136	24	—	1,308	1,308
Fund balance (deficit) at beginning of year	2,566	2,566	—	1,182	1,182	—
Fund balance (deficit) at end of year	\$ 2,678	\$ 2,702	\$ 24	\$ 1,182	\$ 2,490	\$ 1,308

See accountants' review report

Budgeted Other								
Community First Trust			Massachusetts Tourism			Local Capital Projects		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ —	\$ —	\$ —	\$ 33,900	\$ 56,772	\$ 22,872	\$ —	\$ —	\$ —
—	—	—	—	—	—	—	—	—
35,000	48,430	13,430	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
35,000	48,430	13,430	33,900	56,772	22,872	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
35,000	48,430	13,430	33,900	56,772	22,872	—	—	—
—	—	—	—	—	—	—	—	—
2	2	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	27	27	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
2	2	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
56,523	49,859	6,664	—	—	—	—	—	—
—	—	—	20	20	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
87	80	7	25,114	22,384	2,730	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
56,614	49,943	6,671	25,161	22,431	2,730	—	—	—
—	1,212	(1,212)	—	404	(404)	—	—	—
—	25,087	(25,087)	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	35,618	(35,618)	—	—	—
—	26,299	(26,299)	—	36,022	(36,022)	—	—	—
56,614	76,242	(19,628)	25,161	58,453	(33,292)	—	—	—
(21,614)	(27,812)	(6,198)	8,739	(1,681)	(10,420)	—	—	—
72,433	72,433	—	1,681	1,681	—	—	—	—
\$ 50,819	\$ 44,621	\$ (6,198)	\$ 10,420	\$ —	\$ (10,420)	\$ —	\$ —	\$ —

continued

Budgeted Funds

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

Fiscal Year Ended June 30, 2016

(Amounts in thousands)

	Budgeted Other					
	Gaming Local Aid			Local Aid Stabilization		
	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	105,000	64,356	(40,644)	—	—	—
Commonwealth care trust transfer	—	—	—	—	—	—
Stabilization transfer	—	—	—	—	—	—
Other fund deficit support	—	40,677	40,677	—	—	—
Total other financing sources	105,000	105,033	33	—	—	—
Total revenues and other financing sources	105,000	105,033	33	—	—	—
EXPENDITURES AND OTHER FINANCING USES						
Expenditures:						
Legislature	—	—	—	—	—	—
Judiciary	—	—	—	—	—	—
Inspector General	—	—	—	—	—	—
Governor and Lieutenant Governor	—	—	—	—	—	—
Secretary of the Commonwealth	—	—	—	—	—	—
Treasurer and Receiver-General	—	—	—	—	—	—
Auditor of the Commonwealth	—	—	—	—	—	—
Attorney General	—	—	—	—	—	—
Ethics Commission	—	—	—	—	—	—
District Attorney	—	—	—	—	—	—
Office of Campaign & Political Finance	—	—	—	—	—	—
Sheriff's Departments	—	—	—	—	—	—
Disabled Persons Protection Commission	—	—	—	—	—	—
Board of Library Commissioners	—	—	—	—	—	—
Comptroller	—	—	—	—	—	—
Administration and Finance	—	—	—	—	—	—
Energy and Environmental Affairs	—	—	—	—	—	—
Health and Human Services	—	—	—	—	—	—
Massachusetts Department of Transportation	—	—	—	—	—	—
Office of the Child Advocate	—	—	—	—	—	—
Executive Office of Education	—	—	—	—	—	—
Center for Health Information and Analysis	—	—	—	—	—	—
Public Safety and Security	—	—	—	—	—	—
Housing and Economic Development	—	—	—	—	—	—
Labor and Workforce Development	—	—	—	—	—	—
Direct local aid	105,034	105,033	1	—	—	—
Medicaid	—	—	—	—	—	—
Post employment benefits	—	—	—	—	—	—
Debt service:						
Principal retirement	—	—	—	—	—	—
Interest and fiscal charges	—	—	—	—	—	—
Total expenditures	105,034	105,033	1	—	—	—
Other financing uses:						
Fringe benefit cost assessment	—	—	—	—	—	—
Operating transfers out	—	—	—	—	—	—
Medical assistance transfer	—	—	—	—	—	—
Delivery system transformation initiatives trust	—	—	—	—	—	—
Other fund deficit support	—	—	—	—	—	—
Total other financing uses	—	—	—	—	—	—
Total expenditures and other financing uses	105,034	105,033	1	—	—	—
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing use	(34)	—	34	—	—	—
Fund balance (deficit) at beginning of year	—	—	—	50	50	—
Fund balance (deficit) at end of year	\$ (34)	\$ —	\$ 34	\$ 50	\$ 50	\$ —

See accountants' review report

Budgeted Other						Totals		
Manufacturing			Community College			(Memorandum only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 23,940,379	\$ 23,616,920	\$ (323,459)
—	—	—	—	—	—	431,489	419,382	(12,107)
—	—	—	—	—	—	10,260,069	10,642,720	382,651
—	—	—	—	—	—	272,049	257,616	(14,433)
—	—	—	—	—	—	3,133,589	3,579,470	445,881
—	—	—	—	—	—	305,081	386,005	80,924
—	—	—	—	—	—	38,342,656	38,902,113	559,457
—	—	—	—	—	—	290,509	365,659	75,150
—	—	—	—	—	—	100,604	107,935	7,331
—	—	—	—	—	—	920,542	975,254	54,712
—	—	—	—	—	—	560,431	345,200	(215,231)
—	—	—	—	—	—	—	44,482	44,482
—	—	—	—	—	—	—	27,100	27,100
—	—	—	—	—	—	—	70,707	70,707
—	—	—	—	—	—	1,872,086	1,936,337	64,251
—	—	—	—	—	—	40,214,742	40,838,450	623,708
—	—	—	—	—	—	91,447	61,368	30,079
—	—	—	—	—	—	888,211	878,664	9,547
—	—	—	—	—	—	4,459	4,315	144
—	—	—	—	—	—	10,590	6,603	3,987
—	—	—	—	—	—	40,561	39,322	1,239
—	—	—	—	—	—	212,143	205,226	6,917
—	—	—	—	—	—	18,356	18,354	2
—	—	—	—	—	—	45,544	44,265	1,279
—	—	—	—	—	—	2,069	2,034	35
—	—	—	—	—	—	119,262	114,087	5,175
—	—	—	—	—	—	1,536	1,516	20
—	—	—	—	—	—	605,053	603,220	1,833
—	—	—	—	—	—	2,943	2,943	—
—	—	—	—	—	—	25,333	25,333	—
—	—	—	—	—	—	14,539	13,911	628
—	—	—	—	—	—	2,675,684	2,299,220	376,464
—	—	—	—	—	—	238,385	222,851	15,534
—	—	—	—	—	—	5,688,087	5,530,514	157,573
—	—	—	—	—	—	187,020	171,437	15,583
—	—	—	—	—	—	790	595	195
—	—	—	—	—	—	2,327,102	2,281,321	45,781
—	—	—	—	—	—	32,563	26,625	5,938
—	—	—	—	—	—	1,156,023	1,121,829	34,194
—	—	—	—	—	—	588,660	536,247	52,413
—	—	—	—	—	—	78,004	45,082	32,922
—	—	—	—	—	—	5,570,730	5,567,738	2,992
—	—	—	—	—	—	14,851,052	14,851,007	45
—	—	—	—	—	—	2,426,093	2,503,377	(77,284)
—	—	—	—	—	—	1,357,149	1,288,270	68,879
—	—	—	—	—	—	930,143	886,037	44,106
—	—	—	—	—	—	40,189,531	39,353,310	836,221
—	—	—	—	—	—	—	4,485	(4,485)
—	—	—	—	—	—	703,919	646,170	57,749
—	—	—	—	—	—	1,027,500	665,564	361,936
—	—	—	—	—	—	189,142	186,907	2,235
—	—	—	—	—	—	—	70,707	(70,707)
—	—	—	—	—	—	1,920,561	1,573,833	346,728
—	—	—	—	—	—	42,110,092	40,927,143	1,182,949
—	—	—	—	—	—	(1,895,350)	(88,693)	1,806,657
—	—	—	—	—	—	1,570,686	1,570,686	—
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (324,664)	\$ 1,481,993	\$ 1,806,657

General Fund
Balance Sheet - Statutory Basis

June 30, 2016
(Amounts in thousands)

	2016	2015
ASSETS		
Cash and short-term investments.....	\$ 487,253	\$ 400,735
Receivables, net of allowance for uncollectibles:		
Due from federal government.....	377,724	712,911
Other receivables	23,240	11,274
Due from cities and towns	23,268	19,722
Total assets	<u>\$ 911,485</u>	<u>\$ 1,144,642</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 746,749	\$ 759,421
Accrued payroll	60,860	185,860
Total liabilities	<u>807,609</u>	<u>945,281</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	103,876	199,361
Total fund balance	<u>103,876</u>	<u>199,361</u>
Total liabilities and fund balance	<u>\$ 911,485</u>	<u>\$ 1,144,642</u>

See accountants' review report

General Fund

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

Fiscal Year Ended June 30, 2016

(Amounts in thousands)

	2016 Budget	2016 Actual	Variance Favorable (Unfavorable)	2015 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes	\$ 22,604,053	\$ 22,257,084	\$ (346,969)	\$ 21,854,255
Assessments	408,336	395,984	(12,352)	403,138
Federal grants and reimbursements	10,219,269	10,585,466	366,197	9,388,840
Tobacco settlement revenue	272,049	257,616	(14,433)	245,839
Departmental	2,485,327	2,505,504	20,177	2,245,586
Miscellaneous	298,793	367,327	68,534	257,977
Total revenues	36,287,827	36,368,981	81,154	34,395,635
Other financing sources:				
Fringe benefit cost recovery	290,509	365,659	75,150	329,606
Lottery reimbursements	100,604	107,935	7,331	104,238
Lottery distributions	920,542	975,254	54,712	947,250
Operating transfers in	359,261	280,653	(78,608)	262,223
Commonwealth care trust transfer	—	44,482	44,482	—
Stabilization transfer	—	—	—	144,806
Other fund deficit support	—	30,031	30,031	—
Total other financing sources	1,670,916	1,804,014	133,098	1,788,123
Total revenues and other financing sources...	37,958,743	38,172,995	214,252	36,183,758
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Legislature	91,447	61,368	30,079	60,465
Judiciary	888,209	878,663	9,546	839,454
Inspector General	4,459	4,315	144	4,521
Governor and Lieutenant Governor	10,563	6,576	3,987	6,368
Secretary of the Commonwealth	40,445	39,322	1,123	44,787
Treasurer and Receiver-General	212,143	205,226	6,917	203,312
Auditor of the Commonwealth	18,356	18,354	2	17,768
Attorney General	45,544	44,265	1,279	43,134
Ethics Commission	2,069	2,034	35	1,914
District Attorney	119,259	114,084	5,175	108,677
Office of Campaign and Political Finance	1,536	1,516	20	1,433
Sheriff's Department	605,053	603,220	1,833	581,157
Disabled Persons Protection Commission	2,943	2,943	—	2,724
Board of Library Commissioners	25,333	25,333	—	25,301
Comptroller	9,014	8,870	144	8,837

continued

General Fund

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

Fiscal Year Ended June 30, 2016

(Amounts in thousands)

	2016 Budget	2016 Actual	Variance Favorable (Unfavorable)	2015 Actual
Expenditures (continued):				
Administration and Finance	2,371,037	2,076,261	294,776	2,092,470
Energy and Environmental Affairs	218,400	203,683	14,717	208,194
Health and Human Services	5,510,011	5,383,102	126,909	5,300,785
Office of the Child Advocate	790	595.49	195	—
Executive Office of Education	2,325,242	2,280,888	44,354	2,214,091
Center for Health Information and Analysis	32,563	26,625	5,938	26,405
Public Safety and Security	1,092,213	1,065,606	26,607	1,040,689
Housing and Economic Development	555,795	512,117	43,678	495,721
Labor and Workforce Development	58,963	45,082	13,881	43,198
Direct local aid	5,465,696	5,462,705	2,991	5,420,412
Medicaid	14,851,052	14,851,007	45	13,655,213
Post employment benefits	2,426,093	2,461,159	(35,066)	2,255,945
Debt service:				
Principal retirement	590,664	561,002	29,662	546,616
Interest and fiscal charges	447,027	424,579	22,448	438,987
Total expenditures	38,021,919	37,370,500	651,419	35,688,578
Other financing uses:				
Operating transfers out	115,653	45,572	70,081	161,100
Stabilization transfer	—	—	—	48,806
Medical assistance transfer	1,027,500	665,564	361,936	70,975
Delivery system transformation initiatives trust transfer	189,142	186,907	2,235	116,171
Other fund deficit support	—	—	—	42,896
Total other financing uses	1,332,295	898,043	434,252	439,948
Total expenditures and other financing uses	39,354,214	38,268,543	1,085,671	36,128,526
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses	(1,395,471)	(95,548)	1,299,923	55,232
Restated Fund balance (deficit) at beginning of year	199,424	199,424	—	144,129
Fund balance (deficit) at end of year	<u>\$ (1,196,047)</u>	<u>\$ 103,876</u>	<u>\$ 1,299,923</u>	<u>\$ 199,361</u>

See accountants' review report



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Commonwealth Transportation Fund

Balance Sheet - Statutory Basis

June 30, 2016

(Amounts in thousands)

	2016	2015
ASSETS		
Cash and short-term investments.....	\$ —	\$ 428
Cash with fiscal agent.....	16,690	13,903
Receivables, net of allowance for uncollectibles:		
Other receivables	15,583	—
Total assets.....	<u>\$ 32,273</u>	<u>\$ 14,331</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments	\$ 15,108	\$ —
Accounts payable.....	475	428
Total liabilities	<u>15,583</u>	<u>428</u>
Fund balance:		
Reserved fund balance:		
Reserved for debt service.....	16,690	13,903
Total fund balance.....	<u>16,690</u>	<u>13,903</u>
Total liabilities and fund balance	<u>\$ 32,273</u>	<u>\$ 14,331</u>

See accountants' review report

Commonwealth Transportation Fund
Statement of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis
Fiscal Year Ended June 30, 2016
(Amounts in thousands)

	2016 Budget	2016 Actual	Variance Favorable (Unfavorable)	2015 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes	\$ 1,301,426	\$ 1,301,318	\$ (108)	\$ 1,265,166
Assessments	23,153	23,398	245	22,178
Departmental	639,499	661,268	21,769	645,810
Miscellaneous	707	7,371	6,664	225
Total revenues	1,964,785	1,993,355	28,570	1,933,379
Other financing sources:				
Operating transfers in	96,000	—	(96,000)	—
Other fund deficit support	—	—	—	71,485
Total other financing sources	96,000	—	(96,000)	71,485
Total revenues and other financing sources	2,060,785	1,993,355	(67,430)	2,004,864
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Massachusetts Department of Transportation	187,000	171,417	15,583	122,553
Post employment benefits	—	42,218	(42,218)	31,168
Debt service:				
Principal retirement	752,814	713,596	39,218	735,408
Interest and fiscal charges	483,116	461,458	21,658	460,888
Total expenditures	1,422,930	1,388,689	34,241	1,350,017
Other financing uses:				
Operating transfers out	588,266	566,790	21,476	655,328
Other fund deficit support	—	35,089	(35,089)	—
Total other financing uses	588,266	601,879	(13,613)	655,328
Total expenditures and other financing uses	2,011,196	1,990,568	20,628	2,005,345
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses	49,589	2,787	(46,802)	(481)
Fund balance (deficit) at beginning of year	13,903	13,903	—	14,384
Fund balance (deficit) at end of year	\$ 63,492	\$ 16,690	\$ (46,802)	\$ 13,903

See accountants' review report

Commonwealth Stabilization Fund

Balance Sheet - Statutory Basis

June 30, 2016

(Amounts in thousands)

	2016	2015
ASSETS		
Cash and short-term investments.....	\$ 1,019,769	\$ 988,004
Investments.....	271,745	264,425
Total assets.....	<u>\$ 1,291,514</u>	<u>\$ 1,252,429</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable.....	\$ —	\$ —
Total liabilities.....	<u>—</u>	<u>—</u>
Fund balance:		
Reserved fund balance:		
Reserved for Commonwealth Stabilization.....	1,291,514	1,252,429
Total fund balance.....	<u>1,291,514</u>	<u>1,252,429</u>
Total liabilities and fund balance.....	<u>\$ 1,291,514</u>	<u>\$ 1,252,429</u>

See accountants' review report

Commonwealth Stabilization Fund

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

Fiscal Year Ended June 30, 2016

(Amounts in thousands)

	2016 Budget	2016 Actual	Variance Favorable (Unfavorable)	2015 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes	\$ —	\$ 744	\$ 744	\$ 647
Miscellaneous	5,547	11,241	5,694	4,646
Total revenues	5,547	11,985	6,438	5,293
Other financing sources:				
Stabilization transfer	—	27,100	27,100	143,507
Total other financing sources	—	27,100	27,100	143,507
Total revenues and other financing sources	5,547	39,085	33,538	148,800
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Administration and Finance	—	—	—	—
Total expenditures	—	—	—	—
Other financing uses:				
Stabilization transfer	—	—	—	144,806
Total other financing uses	—	—	—	144,806
Total expenditures and other financing uses	—	—	—	144,806
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses	5,547	39,085	33,538	3,994
Fund balance (deficit) at beginning of year	1,252,429	1,252,429	—	1,248,435
Fund balance (deficit) at end of year	\$ 1,257,976	\$ 1,291,514	\$ 33,538	\$ 1,252,429

See accountants' review report

Intragovernmental Service Fund
Balance Sheet - Statutory Basis

June 30, 2016
(Amounts in thousands)

	2016	2015
ASSETS		
Cash and short-term investments.....	\$ 34,342	\$ 43,611
Total assets.....	<u>\$ 34,342</u>	<u>\$ 43,611</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable.....	\$ 26,854	\$ 27,292
Accrued payroll	2,036	5,333
Total liabilities	<u>28,890</u>	<u>32,625</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	5,452	10,986
Total fund balance.....	<u>5,452</u>	<u>10,986</u>
Total liabilities and fund balance.....	<u>\$ 34,342</u>	<u>\$ 43,611</u>

See accountants' review report

Intragovernmental Service Fund
Statement of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis
Fiscal Year Ended June 30, 2016
(Amounts in thousands)

	2016 Budget	2016 Actual	Variance Favorable (Unfavorable)	2015 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental	\$ —	\$ 402,100	\$ 402,100	\$ 379,264
Total revenues	—	402,100	402,100	379,264
Other financing sources:				
Operating transfers in	—	—	—	—
Total other financing sources	—	—	—	—
Total revenues and other financing sources	—	402,100	402,100	379,264
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Secretary of the Commonwealth	116	—	116	104
Comptroller	5,524	5,041	483	4,731
Administration and Finance	304,528	222,855	81,673	211,368
Energy and Environmental Affairs	1,509	1,471	38	1,431
Health and Human Services	121,553	97,554	23,999	98,148
Executive Office of Education	1,860	432	1,428	103
Public Safety and Security	63,811	56,223	7,588	50,752
Housing and Economic Development	7,665	1,666	5,999	1,795
Labor and Workforce Development	19,042	—	19,042	—
Debt service:				
Principal retirement	13,671	13,671	—	8,506
Total expenditures	539,279	398,913	140,366	376,938
Other financing uses:				
Operating transfers out	—	8,721	(8,721)	1,569
Total other financing uses	—	8,721	(8,721)	1,569
Total expenditures and other financing uses	539,279	407,634	131,645	378,507
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses	(539,279)	(5,534)	533,745	757
Fund balance (deficit) at beginning of year	10,986	10,986	—	10,229
Fund balance (deficit) at end of year	\$ (528,293)	\$ 5,452	\$ 533,745	\$ 10,986

See accountants' review report

Inland Fisheries And Game Fund

Balance Sheet - Statutory Basis

June 30, 2016

(Amounts in thousands)

	2016	2015
ASSETS		
Cash and short-term investments.....	\$ 16,569	\$ 18,181
Total assets.....	<u>\$ 16,569</u>	<u>\$ 18,181</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable.....	\$ 1,814	\$ 1,736
Accrued payroll	156	411
Total liabilities	<u>1,970</u>	<u>2,147</u>
Fund balance:		
Undesignated.....	<u>14,599</u>	<u>16,034</u>
Total fund balance.....	<u>14,599</u>	<u>16,034</u>
Total liabilities and fund balance.....	<u>\$ 16,569</u>	<u>\$ 18,181</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, 2016

(Amounts in thousands)

	2016 Budget	2016 Actual	Variance Favorable (Unfavorable)	2015 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes	\$ 1,000	\$ 1,001	\$ 1	\$ 986
Federal grants and reimbursements	5,800	8,824	3,024	8,095
Departmental	7,345	7,787	442	7,294
Miscellaneous	34	66	32	45
Total revenues	14,179	17,678	3,499	16,420
Other financing sources:				
Operating transfers in	170	190	20	187
Total other financing sources	170	190	20	187
Total revenues and other financing sources	14,349	17,868	3,519	16,607
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Administration and Finance	119	105	14	94
Energy and Environmental Affairs	17,171	16,468	703	15,647
Total expenditures	17,290	16,573	717	15,741
Other financing uses				
Fringe benefit cost assessment	—	2,730	(2,730)	2,265
Total other financing uses	—	2,730	(2,730)	2,265
Total expenditures and other financing uses	17,290	19,303	(2,013)	18,006
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses	(2,941)	(1,435)	1,506	(1,399)
Fund balance (deficit) at beginning of year	16,034	16,034	—	17,433
Fund balance (deficit) at end of year	\$ 13,093	\$ 14,599	\$ 1,506	\$ 16,034

See accountants' review report

Marine Recreational Fisheries Development Fund

Balance Sheet - Statutory Basis

June 30, 2016

(Amounts in thousands)

	2016	2015
ASSETS		
Cash and short-term investments.....	\$ 2,825	\$ 2,766
Total assets.....	<u>\$ 2,825</u>	<u>\$ 2,766</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable.....	\$ 115	\$ 173
Accrued payroll.....	8	27
Total liabilities.....	<u>123</u>	<u>200</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	<u>2,702</u>	<u>2,566</u>
Total fund balance.....	<u>2,702</u>	<u>2,566</u>
Total liabilities and fund balance.....	<u>\$ 2,825</u>	<u>\$ 2,766</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, 2016
(Amounts in thousands)

	2016 Budget	2016 Actual	Variance Favorable (Unfavorable)	2015 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental	\$ 1,418	\$ 1,502	\$ 84	\$ 1,429
Total revenues	1,418	1,502	84	1,429
Other financing sources:				
Operating transfers in	—	—	—	—
Total other financing sources	—	—	—	—
Total revenues and other financing sources	1,418	1,502	84	1,429
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Energy and Environmental Affairs	1,306	1,228	78	1,158
Total expenditures	1,306	1,228	78	1,158
Other financing uses				
Fringe benefit cost assessment	—	138	(138)	104
Total other financing uses	—	138	(138)	104
Total expenditures and other financing uses	1,306	1,366	(60)	1,262
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses	112	136	24	167
Fund balance (deficit) at beginning of year	2,566	2,566	—	2,399
Fund balance (deficit) at end of year	\$ 2,678	\$ 2,702	\$ 24	\$ 2,566

See accountants' review report

Public Safety Training Fund
Balance Sheet - Statutory Basis

June 30, 2016
(Amounts in thousands)

	2016	2015
ASSETS		
Cash and short-term investments.....	\$ 2,490	\$ 1,182
Total assets.....	<u>\$ 2,490</u>	<u>\$ 1,182</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ —	\$ —
Total liabilities.....	<u>—</u>	<u>—</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>2,490</u>	<u>1,182</u>
Total fund balance (deficit).....	<u>2,490</u>	<u>1,182</u>
Total liabilities and fund balance.....	<u>\$ 2,490</u>	<u>\$ 1,182</u>

See accountants' review report

Public Safety Training Fund

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

Fiscal Year Ended June 30, 2016

(Amounts in thousands)

	2016 Budget	2016 Actual	Variance Favorable (Unfavorable)	2015 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental	\$ —	\$ 1,308	\$ 1,308	\$ 1,406
Total revenues	—	1,308	1,308	1,406
Other financing sources:				
Operating transfers in	—	—	—	—
Total other financing sources	—	—	—	—
Total revenues and other financing sources	—	1,308	1,308	1,406
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Administration and finance	—	—	—	—
Total expenditures	—	—	—	—
Other financing uses:				
Operating transfers out	—	—	—	792
Total other financing uses	—	—	—	792
Total expenditures and other financing uses	—	—	—	792
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses	—	1,308	1,308	614
Fund balance (deficit) at beginning of year	1,182	1,182	—	568
Fund balance (deficit) at end of year	\$ 1,182	\$ 2,490	\$ 1,308	\$ 1,182

See accountants' review report

Community First Trust Fund
Balance Sheet - Statutory Basis

June 30, 2016
(Amounts in thousands)

	2016	2015
ASSETS		
Cash and short-term investments.....	\$ 44,621	\$ 72,433
Total assets.....	<u>\$ 44,621</u>	<u>\$ 72,433</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ —	\$ —
Total liabilities.....	<u>—</u>	<u>—</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	44,621	72,433
Total fund balance.....	44,621	72,433
Total liabilities and fund balance.....	<u>\$ 44,621</u>	<u>\$ 72,433</u>

See accountants' review report

Community First Trust Fund

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

Fiscal Year Ended June 30, 2016

(Amounts in thousands)

	2016 Budget	2016 Actual	Variance Favorable (Unfavorable)	2015 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Federal grants and reimbursements	\$ 35,000	\$ 48,430	\$ 13,430	\$ 83,470
Total revenues	35,000	48,430	13,430	83,470
Other financing sources:				
Operating transfers in	—	—	—	—
Total other financing sources	—	—	—	—
Total revenues and other financing sources	35,000	48,430	13,430	83,470
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Judiciary	2	2	—	—
District Attorney	2	2	—	—
Health and Human Services	56,523	49,859	6,664	—
Housing and Economic Development	87	80	7	—
Total expenditures	56,614	49,943	6,671	—
Other financing uses:				
Fringe benefit cost assessment	—	1,212	(1,212)	—
Operating transfers out	—	25,087	(25,087)	11,037
Total other financing uses	—	26,299	(26,299)	11,037
Total expenditures and other financing uses	56,614	76,242	(19,628)	11,037
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses	(21,614)	(27,812)	(6,198)	72,433
Fund balance (deficit) at beginning of year	72,433	72,433	—	—
Fund balance (deficit) at end of year	\$ 50,819	\$ 44,621	\$ (6,198)	\$ 72,433

See accountants' review report

Massachusetts Tourism Fund
Balance Sheet - Statutory Basis

June 30, 2016
(Amounts in thousands)

	2016	2015
ASSETS		
Cash and short-term investments.....	\$ 1,385	\$ 4,724
Total assets.....	<u>\$ 1,385</u>	<u>\$ 4,724</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 1,359	\$ 2,974
Accrued payroll	26	69
Total liabilities	<u>1,385</u>	<u>3,043</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	—	1,681
Total fund balance.....	—	1,681
Total liabilities and fund balance.....	<u>\$ 1,385</u>	<u>\$ 4,724</u>

See accountants' review report

Massachusetts Tourism Fund

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

Fiscal Year Ended June 30, 2016

(Amounts in thousands)

	2016 Budget	2016 Actual	Variance Favorable (Unfavorable)	2015 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes	\$ 33,900	\$ 56,772	\$ 22,872	\$ 52,745
Total revenues	33,900	56,772	22,872	52,745
Other financing sources:				
Operating transfers in	—	—	—	2,513
Total other financing sources	—	—	—	2,513
Total revenues and other financing sources	33,900	56,772	22,872	55,258
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Governor and Lieutenant Governor	27	27	—	—
Massachusetts Departments of Transportation	20	20	—	—
Housing and Economic Development	25,114	22,384	2,730	21,704
Total expenditures	25,161	22,431	2,730	21,704
Other financing uses:				
Fringe benefit cost assessment	—	404	(404)	494
Stabilization transfer	—	—	—	19,337
Other fund deficit support	—	35,618	(35,618)	12,062
Total other financing uses	—	36,022	(36,022)	31,893
Total expenditures and other financing uses	25,161	58,453	(33,292)	53,597
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses	8,739	(1,681)	(10,420)	1,661
Fund balance (deficit) at beginning of year	1,681	1,681	—	20
Fund balance (deficit) at end of year	\$ 10,420	\$ —	\$ (10,420)	\$ 1,681

See accountants' review report

Local Capital Projects Fund
Balance Sheet - Statutory Basis

June 30, 2016

(Amounts in thousands)

	2016	2015
ASSETS		
Cash and short-term investments.....	\$ —	\$ 3,864
Total assets.....	<u>\$ —</u>	<u>\$ 3,864</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ —	\$ 3,864
Total liabilities.....	<u>—</u>	<u>3,864</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>\$ 3,864</u>

See accountants' review report

Local Capital Projects Fund

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

Fiscal Year Ended June 30, 2016

(Amounts in thousands)

	2016 Budget	2016 Actual	Variance Favorable (Unfavorable)	2015 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental	\$ —	\$ —	\$ —	\$ —
Total revenues	—	—	—	—
Other financing sources:				
Operating transfers in	—	—	—	18,425
Total other financing sources	—	—	—	18,425
Total revenues and other financing sources	—	—	—	18,425
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Housing and Economic Development	—	—	—	—
Total expenditures	—	—	—	—
Other financing uses:				
Stabilization transfer	—	—	—	24,437
Other fund deficit support	—	—	—	15,238
Total other financing uses	—	—	—	39,675
Total expenditures and other financing uses	—	—	—	39,675
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses	—	—	—	(21,250)
Fund balance (deficit) at beginning of year	—	—	—	21,250
Fund balance (deficit) at end of year	\$ —	\$ —	\$ —	\$ —

See accountants' review report

Gaming Local Aid Fund
Balance Sheet - Statutory Basis

June 30, 2016

(Amounts in thousands)

	2016	2015
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.....	—	—
Total fund balance (deficit).....	<u>—</u>	<u>—</u>
Total liabilities and fund balance.....	<u>\$ —</u>	<u>\$ —</u>

See accountants' review report

Gaming Local Aid Fund

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

Fiscal Year Ended June 30, 2016

(Amounts in thousands)

	2016 Budget	2016 Actual	Variance Favorable (Unfavorable)	2015 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental	\$ —	\$ —	\$ —	\$ —
Total revenues	—	—	—	—
Other financing sources:				
Operating transfers in	105,000	64,356	(40,644)	1,961
Other fund deficit support	—	40,677	40,677	17,994
Total other financing sources	105,000	105,033	33	19,955
Total revenues and other financing sources	105,000	105,033	33	19,955
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Direct local aid	105,034	105,033	1	19,955
Total expenditures	105,034	105,033	1	19,955
Other financing uses:				
Operating transfers out	—	—	—	—
Total other financing uses	—	—	—	—
Total expenditures and other financing uses	105,034	105,033	1	19,955
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses	(34)	—	34	—
Fund balance (deficit) at beginning of year	—	—	—	—
Fund balance (deficit) at end of year	\$ (34)	\$ —	\$ 34	\$ —

See accountants' review report

Local Aid Stabilization Fund
Balance Sheet - Statutory Basis

June 30, 2016
(Amounts in thousands)

	2016	2015
ASSETS		
Cash and short-term investments.....	\$ 50	\$ 7,400
Total assets.....	<u>\$ 50</u>	<u>\$ 7,400</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ —	\$ 7,350
Total liabilities.....	<u>—</u>	<u>7,350</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>50</u>	<u>50</u>
Total fund balance (deficit).....	<u>50</u>	<u>50</u>
Total liabilities and fund balance.....	<u>\$ 50</u>	<u>\$ 7,400</u>

See accountants' review report

Local Aid Stabilization Fund

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

Fiscal Year Ended June 30, 2016

(Amounts in thousands)

	2016 Budget	2016 Actual	Variance Favorable (Unfavorable)	2015 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental	\$ —	\$ —	\$ —	\$ —
Total revenues	—	—	—	—
Other financing sources:				
Operating transfers in	—	—	—	8,375
Total other financing sources	—	—	—	8,375
Total revenues and other financing sources	—	—	—	8,375
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Executive Office of Education	—	—	—	—
Total expenditures	—	—	—	—
Other financing uses:				
Operating transfers out	—	—	—	—
Total other financing uses	—	—	—	—
Total expenditures and other financing uses	—	—	—	—
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses	—	—	—	8,375
Fund balance (deficit) at beginning of year	50	50	—	(8,325)
Fund balance (deficit) at end of year	\$ 50	\$ 50	\$ —	\$ 50

See accountants' review report

Manufacturing Fund
Balance Sheet - Statutory Basis

June 30, 2016

(Amounts in thousands)

	2016	2015
ASSETS		
Cash and short-term investments.....	\$ —	\$ 125
Total assets.....	<u>\$ —</u>	<u>\$ 125</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ —	\$ 62
Total liabilities.....	<u>—</u>	<u>62</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	—	63
Total fund balance (deficit).....	<u>—</u>	<u>63</u>
Total liabilities and fund balance.....	<u>\$ —</u>	<u>\$ 125</u>

See accountants' review report

Manufacturing Fund

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

Fiscal Year Ended June 30, 2016

(Amounts in thousands)

	2016 Budget	2016 Actual	Variance Favorable (Unfavorable)	2015 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental	\$ —	\$ —	\$ —	\$ —
Total revenues	—	—	—	—
Other financing sources:				
Operating transfers in	—	—	—	21,775
Total other financing sources	—	—	—	21,775
Total revenues and other financing sources	—	—	—	21,775
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Labor and Workforce Development	—	—	—	—
Total expenditures	—	—	—	—
Other financing uses:				
Stabilization transfer	—	—	—	13,373
Other fund deficit support	—	—	—	8,339
Total other financing uses	—	—	—	21,712
Total expenditures and other financing uses	—	—	—	21,712
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses	—	—	—	63
Restated Fund balance (deficit) at beginning of year	—	—	—	—
Fund balance (deficit) at end of year	\$ —	\$ —	\$ —	\$ 63

See accountants' review report

Community College Fund
Balance Sheet - Statutory Basis

June 30, 2016

(Amounts in thousands)

	2016	2015
ASSETS		
Cash and short-term investments.....	\$ —	\$ 831
Total assets.....	<u>\$ —</u>	<u>\$ 831</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accrued payroll	\$ —	\$ 831
Total liabilities	<u>—</u>	<u>831</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>\$ 831</u>

See accountants' review report

Community College Fund

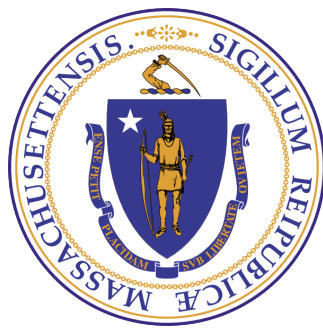
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2016

(Amounts in thousands)

	2016 Budget	2016 Actual	Variance Favorable (Unfavorable)	2015 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental	\$ —	\$ —	\$ —	\$ 2
Total revenues	—	—	—	2
Other financing sources:				
Operating transfers in	—	—	—	28,475
Total other financing sources	—	—	—	28,475
Total revenues and other financing sources	—	—	—	28,477
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Executive Office of Education	—	—	—	—
Total expenditures	—	—	—	—
Other financing uses:				
Stabilization transfer	—	—	—	17,554
Other fund deficit support	—	—	—	10,943
Total other financing uses	—	—	—	28,497
Total expenditures and other financing uses	—	—	—	28,497
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses	—	—	—	(20)
Fund balance (deficit) at beginning of year	—	—	—	20
Fund balance (deficit) at end of year	\$ —	\$ —	\$ —	\$ —

See accountants' review report



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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 and Gaming 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. Residual fund balance 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 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 MGL.

UNIVERSAL HEALTH CARE FUNDS:

The eleven 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 (FFP). 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. Revenues are from surcharges and assessment in health care services.

Community First Trust Fund - The secretary of health and human services may expend not more than \$16 million deposited in the fund. There shall be credited to the fund an amount equal to the increase in revenues from federal reimbursements resulting from the increased percentage points attributable to participation in the state balancing incentive payment program. There shall be credited to the fund an amount equal to the revenues received from FFP earned on any qualifying expenditures sourced from the fund. Any remaining balance in the fund at the end of a fiscal year shall not revert to the General Fund but shall remain in the fund and be available for expenditure during the next fiscal year. Expenditures from the fund may be made for services provided in prior fiscal years.

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 home and community-based waiver programs established to support the commonwealth's rebalancing initiative. Monies equal to the amount of FFP collected from the previous quarter shall be transferred to the fund.

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 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 shall support the State's efforts to meet the health care cost growth benchmark established in Section 9 of Chapter 6D of the MGL 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 one 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 MGL 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 one 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 MGL 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.

Essex Regional Emergency Communication Center Fund - The fund shall be used for the operation of the Regional Emergency Communications Center (RECC) to provide centralized emergency communication services to participating communities. There shall be credited to the fund: (i) the per capita assessment based on population on each member city or town 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 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 the amount of \$35,000 per vessel. 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.

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 Chapter 10, Section 35T of the MGL.

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% 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. Expenditures are for 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 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 from appropriations made by General Court and gifts, grants, loan repayments 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.

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 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 debt service payable on 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 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 for providing affordable housing for low-income families and individuals in the commonwealth, particularly those most at risk of becoming homeless. Balances remaining at the end of a fiscal year shall not revert to the General Fund.

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 made for the purpose of supporting the office for refugees and immigrants. Expenditures shall be made only for operating costs of the office for refugees and immigrants and costs associated with refugee and immigrant-related programs, grants and initiatives of the director.

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. Any remaining balance at the end of a fiscal year shall not revert to the General Fund but shall remain in the fund and be available to the department during the following fiscal year. The secretary may expend from the fund for services provided in prior fiscal years.

Massachusetts Environmental Police Trust Fund - to account for (i) all revenues collected of certain administrative surcharges; (ii) a 10% maintenance fee charged on all division of law enforcement private details; (iii) any appropriations, bond proceeds or other monies authorized by the general court and specifically designated to be credited to the fund; (iv) interest or investment earnings on any such monies; and (v) all other amounts credited or transferred to the fund from any other fund or source. Amounts credited to the fund may be expended on programs and costs related to the division of law enforcement. The unexpended balance in the fund at the end of a fiscal year shall not revert to the General Fund but shall remain available for expenditure in subsequent fiscal years. No expenditure made from the fund shall cause the fund to become deficient at any point.

Domestic and Sexual Violence Prevention and Victim Assistance Fund - to support innovative practices to prevent domestic and sexual violence and provide assistance to victims of domestic violence in the commonwealth. The fund shall be credited any appropriations, bond proceeds or other monies authorized by the general court, and any other

monies which may be available for the purposes of the fund from any other source or sources. Any revenues, deposits, receipts or funds received shall be deposited in the fund and shall be available for the purposes described in this section. Money remaining in the fund at the end of the year shall not revert to the General Fund.

Massachusetts Seafood Marketing Program Fund - to account for (i) a portion of the monies collected from the sale of commercial harvester and dealer permits issued by the division in an amount not to exceed \$250,000 per fiscal year; (ii) any appropriations, grants, gifts or other monies authorized by the general court or other parties and specifically designated to be credited to the fund; and (iii) any income derived from the investment of amounts credited to the fund. All amounts credited to the fund shall be for the purpose of developing and administering the seafood marketing program. Monies deposited in the fund that are unexpended at the end of the fiscal year shall not revert to the General Fund and shall be available for expenditure in the subsequent year. The fund shall be exempt from the indirect and fringe benefits that would otherwise be assessed.

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 (STEM Pipeline 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 MGL.

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.

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

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 MGL. 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 child support payments, fees and penalties collected by the Child Support Division, federal monies and any related interest / earnings. Expenditures are for child-support related activities.

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.

Logan Airport Health Study Trust Fund - to account for monies allocated by the Massachusetts Port Authority or any other public or private entity to the department of public health to conduct public health activities associated with the Logan Airport Health Study. Funds shall be expended for administration and project management activities and for direct support to community health centers within the study area. Monies deposited in the fund that are unexpended at the end of the fiscal year shall not revert to the General Fund.

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.

Head Injury Treatment Services Trust 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 MGL. Expenditures from this fund shall be made to each licensee under Chapter 128A of the MGL.

Community Mitigation Fund - to account for gaming tax revenue transferred under Section 59 of Chapter 23K of the MGL 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.

Capital Needs Investment Fund - to account for funds specifically appropriated to the fund by the legislature. The funds shall be for the restoration costs of the Mayflower II and the construction of a public safety building in the Town of Barre. The fund shall expire on December 31, 2020 at which time the fund shall be repealed and any unexpended balance and interest shall be transferred to the General Fund.

Debt Defeasance Trust Fund - to account for legislatively mandated transfers to purchase securities to be held for the credit of or cash deposit into a sinking fund which shall be applied to pay, at maturity or upon redemption bonds of the Commonwealth as specified by the Treasurer. Payment shall include any premium and any interest accrued or to accrue to the date of maturity or earlier redemption of such bonds. Any balance remaining in the fund on or after June 1, 2016 shall be transferred to the general fund and the Trust fund shall be repealed.

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.

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. Any expenditures from this fund shall be solely for the purpose of transportation and related infrastructure projects. 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 MGL.

The following funds have been enacted in legislation but were inactive in FY16 and are not presented in this report:

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

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.

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.

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

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 FFP. Expenditures are for operating the intermediate care facilities and community residences serving individuals with mental retardation.

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.

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.

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.

Section 1202 Trust Fund - to account for amounts equal to the FFP received under Section 1202 of the Patient Protection and Affordable Care Act. 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. This fund expires June 30, 2015.

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 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, and (iii) costs associated with housing and economic development programs, grants and initiatives of the secretary.

Climate Change Adaptation Infrastructure Investment 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. Monies deposited into the fund that are unexpended at the end of the fiscal year shall not revert to the General Fund and shall be available for expenditure in the subsequent fiscal year. Amounts credited to the fund may be used for the costs associated with the operations of the division of waterways and the office of dam safety, the department of environmental protection, the department of fish and game and the office of coastal zone management for the costs associated with operations. The fund shall be used to provide grants or loans to agencies of the Commonwealth and local governmental bodies to finance or refinance costs of inspection, repair and removal projects.

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.

Medical Security Trust Fund - to account for premiums, fees, and contributions; used for health insurance for workers receiving unemployment insurance. This fund expired on December 31, 2013. All activities are moved to Commonwealth Care Trust Fund.

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.

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.

Public Health Trust Fund - to account for the collection of fees on slot machines assessed under Section 56 of Chapter 23K of the MGL 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.

Gaming Licensing Fund - to account for the collection of all gaming establishment licensing fees established under Chapter 23K of the MGL 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.

Securities Fraud Prosecution Fund - to account for criminal penalties, fines and settlements collected under chapter 110A and any income from the investment of amounts credited to the fund. Expenditures from this fund are for investigations and enforcement of and dissemination of information about the requirements of Chapter 110A. The Fund shall not exceed a maximum of \$500,000. Amounts collected in excess of the maximum shall be deposited in the General Fund.

Flood Control Compact Fund - to account for any funds authorized and specifically designated to the fund by the general court plus any interest or investment earnings on any such monies. Expenditures shall be made without further appropriation for costs arising under any compact authorized by the general court. Any remaining balance in the fund at the end of a fiscal year shall not revert to the General Fund but shall remain in the fund and be available for expenditure during the next fiscal year. No expenditure from the fund shall cause it to become deficient at any point.

Non-Budgeted Special Revenue Funds
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances
Fiscal Year Ended June 30, 2016
(Amounts in thousands)

	Lotteries			Gaming		Universal Health Care Funds	
	Federal Grants	State Lottery	Arts Lottery	Gaming Control	Gaming Revenue	Catastrophic Illness in Children Relief	Commonwealth Care Trust
REVENUES AND OTHER FINANCING SOURCES							
Revenues:							
Taxes	\$ —	\$ 564	\$ —	\$ —	\$ 64,356	\$ —	\$ 149,085
Assessments	—	—	—	—	—	—	—
Federal grants and reimbursements	2,362,548	—	—	—	—	—	—
Departmental	—	5,350,513	54,533	24,214	—	—	168,221
Miscellaneous	—	1,546	73	—	—	—	—
Total revenues	2,362,548	5,352,623	54,606	24,214	64,356	—	317,306
Other financing sources:							
Operating transfers in	—	—	—	—	—	3,033	—
Health safety net trust transfer	—	—	—	—	—	—	—
Medical assistance transfer	—	—	—	—	—	—	—
Delivery system transformation initiatives trust transfer	—	—	—	—	—	—	—
Total other financing sources	—	—	—	—	—	3,033	—
Total revenues and other financing sources	2,362,548	5,352,623	54,606	24,214	64,356	3,033	317,306
EXPENDITURES AND OTHER FINANCING USES							
Expenditures:							
Judiciary	1,928	—	—	—	—	—	—
Inspector General	—	—	—	—	—	—	—
Governor and Lieutenant Governor	—	—	—	—	—	—	—
Secretary of the Commonwealth	901	—	—	—	—	—	—
Treasurer and Receiver-General	1,121	4,270,519	44,579	78	—	—	—
Attorney General	16,707	—	—	976	—	—	—
District Attorney	1,868	—	—	—	—	—	—
Office of Campaign and Political Finance	—	—	—	—	—	—	—
Sheriff's Departments	3,605	—	—	—	—	—	—
Disabled Persons Protection Commission	66	—	—	—	—	—	—
Board of Library Commissioners	2,915	—	—	—	—	—	—
Massachusetts Gaming Commission	—	—	—	22,541	—	—	—
Comptroller	—	—	—	—	—	—	—
Administration and Finance	5,447	—	—	—	—	—	202,640
Energy and Environmental Affairs	52,159	—	—	—	—	—	—
Health and Human Services	460,029	—	—	157	—	2,462	—
Massachusetts Department of Transportation	87	—	—	—	—	—	—
Executive Office of Education	984,833	—	—	—	—	—	—
Center for Health Information and Analysis	69	—	—	—	—	—	—
Public Safety and Security	144,382	—	—	19	—	—	—
Housing and Economic Development	464,600	—	—	—	—	—	—
Labor and Workforce Development	138,503	—	—	—	—	—	94
Debt service:							
Principal retirement	—	—	—	—	—	—	—
Interest and fiscal charges	—	—	—	—	—	—	—
Total expenditures	2,279,220	4,270,519	44,579	23,771	—	2,462	202,734
Other financing uses:							
Fringe benefit cost assessment	58,337	8,942	—	1,843	—	115	28
Lottery operating reimbursements	—	107,935	—	—	—	—	—
Lottery distributions	—	965,228	10,027	—	—	—	—
Operating transfers out	40,066	—	—	1,673	64,356	35	3,036
Stabilization transfer	—	—	—	—	—	—	—
Commonwealth care trust transfer	—	—	—	—	—	—	44,482
Health safety net trust transfer	—	—	—	—	—	—	30,000
Federal reimbursement transfer out	—	—	—	—	—	—	—
Total other financing uses	98,403	1,082,104	10,027	3,516	64,356	150	77,546
Total expenditures and other financing uses	2,377,623	5,352,623	54,606	27,287	64,356	2,612	280,280
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(15,075)	—	—	(3,073)	—	421	37,026
Fund balances (deficits) at beginning of year (restated)	5,368	—	—	6,601	—	3,393	23,253
Fund balances (deficits) at end of year	\$ (9,707)	\$ —	\$ —	\$ 3,528	\$ —	\$ 3,814	\$ 60,279

See accountants' review report

Universal Health Care Funds

Medical Assistance Trust	Health Safety Net Trust	Community First Trust	Delivery System Transformation Initiatives Trust	Money Follows the Person Rebalancing Demonstration Grant Trust	Healthcare Payment Reform	Distressed Hospital Trust	Prevention & Wellness Trust	Health Information Exchange
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	382,356	—	—	—	8,875	26,725	12,391	—
—	—	—	—	—	—	—	—	—
—	1,214	—	—	—	4	—	—	53
248,461	494	—	22,427	—	—	—	—	—
248,461	384,064	—	22,427	—	8,879	26,725	12,391	53
—	—	—	—	4,353	—	—	—	—
—	30,000	—	—	—	—	—	—	—
665,564	—	—	—	—	—	—	—	—
—	—	—	186,907	—	—	—	—	—
665,564	30,000	—	186,907	4,353	—	—	—	—
914,025	414,064	—	209,334	4,353	8,879	26,725	12,391	53
—	—	—	—	—	—	—	—	—
—	264	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	7,157	18,188	—	—
914,025	361,006	2,322	209,331	2,049	—	—	18,389	—
—	—	—	—	—	—	—	—	—
—	34	—	—	—	119	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
914,025	361,304	2,322	209,331	2,049	7,276	18,188	18,389	—
—	634	183	—	—	1,079	279	212	—
—	—	—	—	—	—	—	—	—
—	26	—	1,993	—	1,104	180	65	475
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	660	183	1,993	—	2,183	459	277	475
914,025	361,964	2,505	211,324	2,049	9,459	18,647	18,666	475
—	52,100	(2,505)	(1,990)	2,304	(580)	8,078	(6,275)	(422)
—	45,191	15,602	1,991	6,243	15,189	74,567	27,825	433
\$ —	\$ 97,291	\$ 13,097	\$ 1	\$ 8,547	\$ 14,609	\$ 82,645	\$ 21,550	\$ 11

continued

Non-Budgeted Special Revenue Funds
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances
Fiscal Year Ended June 30, 2016
(Amounts in thousands)

	Non-Budgeted Other Funds							
	Dam and Seawall Repair or Removal	Department of Telecommunication and Energy Trust	Fingerprint-Based Background Check Trust	Liability Management and Reduction	Medical Marijuana Trust	Essex Regional Emergency Communication Center	Dockside Testing Trust	Civil Monetary Penalty (CMP)
REVENUES AND OTHER FINANCING SOURCES								
Revenues:								
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Assessments	—	4,200	—	—	—	—	—	—
Federal grants and reimbursements	—	—	—	—	—	—	—	—
Departmental	—	—	6,343	2,018	7,227	—	181	1,782
Miscellaneous	281	2	—	5	—	669	—	—
Total revenues	281	4,202	6,343	2,023	7,227	669	181	1,782
Other financing sources:								
Operating transfers in	—	—	—	—	—	—	—	—
Health safety net trust transfer	—	—	—	—	—	—	—	—
Medical assistance transfer	—	—	—	—	—	—	—	—
Delivery system transformation initiatives trust transfer	—	—	—	—	—	—	—	—
Total other financing sources	—	—	—	—	—	—	—	—
Total revenues and other financing sources	281	4,202	6,343	2,023	7,227	669	181	1,782
EXPENDITURES AND OTHER FINANCING USES								
Expenditures:								
Judiciary	—	—	—	—	—	—	—	—
Inspector General	—	—	—	—	—	—	—	—
Governor and Lieutenant Governor	—	—	—	—	—	—	—	—
Secretary of the Commonwealth	—	—	—	—	—	—	—	—
Treasurer and Receiver-General	—	—	—	—	—	—	—	—
Attorney General	—	—	—	60	—	—	—	—
District Attorney	—	—	—	—	—	—	—	—
Office of Campaign and Political Finance	—	—	—	—	—	—	—	—
Sheriff's Departments	—	—	—	—	—	578	—	—
Disabled Persons Protection Commission	—	—	—	—	—	—	—	—
Board of Library Commissioners	—	—	—	—	—	—	—	—
Massachusetts Gaming Commission	—	—	—	—	—	—	—	—
Comptroller	—	—	—	2,381	—	—	—	—
Administration and Finance	—	—	—	—	—	—	—	—
Energy and Environmental Affairs	6,895	2,947	—	—	—	—	—	—
Health and Human Services	—	—	—	—	1,958	—	61	385
Massachusetts Department of Transportation	—	—	—	—	—	—	—	—
Executive Office of Education	—	—	—	—	—	—	—	—
Center for Health Information and Analysis	—	—	—	—	—	—	—	—
Public Safety and Security	—	—	4,004	—	—	—	—	—
Housing and Economic Development	—	—	—	—	—	—	—	—
Labor and Workforce Development	—	—	—	—	—	—	—	—
Debt service:								
Principal retirement	—	—	—	—	—	—	—	—
Interest and fiscal charges	—	—	—	—	—	—	—	—
Total expenditures	6,895	2,947	4,004	2,441	1,958	578	61	385
Other financing uses:								
Fringe benefit cost assessment	—	749	151	24	209	—	15	—
Lottery operating reimbursements	—	—	—	—	—	—	—	—
Lottery distributions	—	—	—	—	—	—	—	—
Operating transfers out	—	168	398	—	65	20	5	—
Stabilization transfer	—	—	—	—	—	—	—	—
Commonwealth care trust transfer	—	—	—	—	—	—	—	—
Health safety net trust transfer	—	—	—	—	—	—	—	—
Federal reimbursement transfer out	—	—	—	—	—	—	—	—
Total other financing uses	—	917	549	24	274	20	20	—
Total expenditures and other financing uses	6,895	3,864	4,553	2,465	2,232	598	81	385
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(6,614)	338	1,790	(442)	4,995	71	100	1,397
Fund balances (deficits) at beginning of year (restated)	17,465	2,858	3,277	2,318	—	36	284	3,555
Fund balances (deficits) at end of year	\$ 10,851	\$ 3,196	\$ 5,067	\$ 1,876	\$ 4,995	\$ 107	\$ 384	\$ 4,952

See accountants' review report

Non-Budgeted Other Funds									
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	Organ and Tissue Donor Registration	Department of Fire Services Hazardous Material Emergency Mitigation Response Recovery Trust	Registers Technological
\$ 986,242	\$ 25,509	\$ —	\$ 1,326	\$ —	\$ —	\$ 182	\$ —	\$ —	\$ —
162,858	—	—	774	—	—	—	—	—	—
—	—	18,020	—	—	—	—	—	—	—
—	—	—	490	13,162	478	34	118	231	4,703
—	45	—	582	—	1	—	—	—	—
1,149,100	25,554	18,020	3,172	13,162	479	216	118	231	4,703
—	10,000	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	10,000	—	—	—	—	—	—	—	—
1,149,100	35,554	18,020	3,172	13,162	479	216	118	231	4,703
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	3,924
1,149,100	—	—	—	—	—	—	—	—	—
—	—	—	—	—	488	—	—	—	—
—	—	—	—	—	249	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	1,924	—	—	—	—	—	—
—	36,380	—	—	—	—	—	—	—	2
—	—	13,798	70	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	57	89	—	78	—
—	—	—	—	8,609	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
1,149,100	36,380	13,798	1,994	8,609	794	89	—	78	3,926
—	26	70	88	1,610	57	16	—	—	442
—	—	—	—	—	—	—	—	—	—
—	12	60	102	566	28	24	—	—	185
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	38	130	190	2,176	85	40	—	—	627
1,149,100	36,418	13,928	2,184	10,785	879	129	—	78	4,553
—	(864)	4,092	988	2,377	(400)	87	118	153	150
—	22,531	3,551	819	2,415	2,057	306	656	333	1,190
\$ —	\$ 21,667	\$ 7,643	\$ 1,807	\$ 4,792	\$ 1,657	\$ 393	\$ 774	\$ 486	\$ 1,340

continued

Non-Budgeted Special Revenue Funds
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances
Fiscal Year Ended June 30, 2016
(Amounts in thousands)

	Non-Budgeted Other Funds							
	County Registers Technological	State Election Campaign	Enhanced 911	Counsel for Indigent Salary Enhancement Trust	Smart Growth Housing Trust	Special Projects Permitting and Oversight	Division of Energy Resources Credit Trust	School Modernization and Reconstruction Trust
REVENUES AND OTHER FINANCING SOURCES								
Revenues:								
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 798,531
Assessments	—	—	—	—	—	—	—	—
Federal grants and reimbursements	—	—	—	—	—	—	—	—
Departmental	2,082	—	121,056	—	—	968	—	—
Miscellaneous	—	251	92	—	—	—	6	—
Total revenues	2,082	251	121,148	—	—	968	6	798,531
Other financing sources:								
Operating transfers in	—	—	—	—	—	—	—	—
Health safety net trust transfer	—	—	—	—	—	—	—	—
Medical assistance transfer	—	—	—	—	—	—	—	—
Delivery system transformation initiatives trust transfer	—	—	—	—	—	—	—	—
Total other financing sources	—	—	—	—	—	—	—	—
Total revenues and other financing sources	2,082	251	121,148	—	—	968	6	798,531
EXPENDITURES AND OTHER FINANCING USES								
Expenditures:								
Judiciary	—	—	—	350	—	—	—	—
Inspector General	—	—	—	—	—	—	—	—
Governor and Lieutenant Governor	—	—	—	—	—	—	—	—
Secretary of the Commonwealth	—	—	—	—	—	—	—	—
Treasurer and Receiver-General	—	—	—	—	—	—	—	798,531
Attorney General	—	—	—	—	—	—	—	—
District Attorney	—	—	—	—	—	—	—	—
Office of Campaign and Political Finance	—	—	—	—	—	—	—	—
Sheriff's Departments	—	—	4,123	—	—	—	—	—
Disabled Persons Protection Commission	—	—	—	—	—	—	—	—
Board of Library Commissioners	—	—	—	—	—	—	—	—
Massachusetts Gaming Commission	—	—	—	—	—	—	—	—
Comptroller	—	—	—	—	—	—	—	—
Administration and Finance	1,975	—	884	—	—	—	—	—
Energy and Environmental Affairs	—	—	—	—	—	1,014	75	—
Health and Human Services	—	—	63	—	—	—	—	—
Massachusetts Department of Transportation	—	—	—	—	—	—	—	—
Executive Office of Education	—	—	—	—	—	—	—	—
Center for Health Information and Analysis	—	—	—	—	—	—	—	—
Public Safety and Security	—	—	80,215	—	—	—	—	—
Housing and Economic Development	—	—	—	—	859	—	—	—
Labor and Workforce Development	—	—	—	—	—	—	—	—
Debt service:								
Principal retirement	—	—	—	—	—	—	—	—
Interest and fiscal charges	—	—	—	—	—	—	—	—
Total expenditures	1,975	—	85,285	350	859	1,014	75	798,531
Other financing uses:								
Fringe benefit cost assessment	—	—	2,260	—	—	206	—	—
Lottery operating reimbursements	—	—	—	—	—	—	—	—
Lottery distributions	—	—	—	—	—	—	—	—
Operating transfers out	—	—	2,428	—	—	112	10	—
Stabilization transfer	—	—	—	—	—	—	—	—
Commonwealth care trust transfer	—	—	—	—	—	—	—	—
Health safety net trust transfer	—	—	—	—	—	—	—	—
Federal reimbursement transfer out	—	—	—	—	—	—	—	—
Total other financing uses	—	—	4,688	—	—	318	10	—
Total expenditures and other financing uses	1,975	—	89,973	350	859	1,332	85	798,531
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses ..	107	251	31,175	(350)	(859)	(364)	(79)	—
Fund balances (deficits) at beginning of year (restated) ..	2,078	430	92,180	352	1,943	3,034	1,847	—
Fund balances (deficits) at end of year	\$ 2,185	\$ 681	\$ 123,355	\$ 2	\$ 1,084	\$ 2,670	\$ 1,768	\$ —

See accountants' review report

Non-Budgeted Other Funds

Non-Budgeted Other Funds							
Roche Community Rink	Health Care Workforce Transformation Trust	Fire Prevention and Public Safety	Cigarette Fire Safety and Firefighter Protection Act Enforcement	Nursing & Allied Health Workforce Development Trust	Health Information Technology Trust	Build America Bonds Subsidy Trust	
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	
—	—	—	—	—	—	—	
—	—	—	—	—	64,082	46,871	
3	—	—	204	288	—	—	
—	—	—	—	—	—	—	
3	—	—	204	288	64,082	46,871	
—	—	—	—	200	8,153	—	
—	—	—	—	—	—	—	
—	—	—	—	—	—	—	
—	—	—	—	—	—	—	
—	—	—	—	200	8,153	—	
3	—	—	204	488	72,235	46,871	
—	—	—	—	—	—	—	
—	—	—	—	—	—	—	
—	—	—	—	—	—	—	
—	—	—	—	—	—	—	
—	—	—	—	—	—	—	
—	—	—	—	—	—	—	
—	—	—	—	—	—	—	
—	—	—	—	—	—	—	
—	—	—	—	—	—	—	
—	—	—	—	—	—	—	
—	—	—	—	—	—	—	
—	—	—	—	—	—	—	
—	—	—	—	—	11,812	—	
—	—	—	—	—	—	—	
—	1,021	—	—	—	69,225	—	
—	—	—	—	—	—	—	
—	—	—	—	548	—	—	
—	—	—	—	—	—	—	
—	—	32	1,175	—	—	—	
—	—	—	—	—	—	—	
—	5,695	—	—	—	—	—	
—	—	—	—	—	—	—	
—	—	—	—	—	—	46,825	
—	6,716	32	1,175	548	81,037	46,825	
—	15	—	48	28	1,321	—	
—	—	—	—	—	—	—	
—	—	—	—	—	—	—	
—	5	5	54	21	38	—	
—	—	—	—	—	—	—	
—	—	—	—	—	—	—	
—	—	—	—	—	—	—	
—	—	—	—	—	—	—	
—	20	5	102	49	1,359	—	
—	6,736	37	1,277	597	82,396	46,825	
3	(6,736)	(37)	(1,073)	(109)	(10,161)	46	
452	13,127	128	2,469	633	6,198	8,417	
\$ 455	\$ 6,391	\$ 91	\$ 1,396	\$ 524	\$ (3,963)	\$ 8,463	

continued

Non-Budgeted Special Revenue Funds
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances
Fiscal Year Ended June 30, 2016
(Amounts in thousands)

	Non-Budgeted Other Funds							
	Housing Preservation and Stabilization	Office of Refugees and Immigrants Trust	Veterans Independence Plus Initiative Trust	Environmental Police Trust	Domestic and Sexual Violence Prevention and Victim Assistance	Seafood Marketing Program	Government Land Bank	Natural Heritage and Endangered Species
REVENUES AND OTHER FINANCING SOURCES								
Revenues:								
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Assessments	—	—	—	—	—	—	—	—
Federal grants and reimbursements	—	—	—	—	—	—	—	1,437
Departmental	—	—	—	553	9	251	—	421
Miscellaneous	9,419	260	1,564	—	—	—	—	197
Total revenues	9,419	260	1,564	553	9	251	—	2,055
Other financing sources:								
Operating transfers in	10,350	—	—	—	—	—	5,226	—
Health safety net trust transfer	—	—	—	—	—	—	—	—
Medical assistance transfer	—	—	—	—	—	—	—	—
Delivery system transformation initiatives trust transfer	—	—	—	—	—	—	—	—
Total other financing sources	10,350	—	—	—	—	—	5,226	—
Total revenues and other financing sources	19,769	260	1,564	553	9	251	5,226	2,055
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	—	—	—	—	—	—	—	—
Office of Campaign and Political Finance	—	—	—	—	—	—	—	—
Sheriff's Departments	—	—	—	—	—	—	—	—
Disabled Persons Protection Commission	—	—	—	—	—	—	—	—
Board of Library Commissioners	—	—	—	—	—	—	—	—
Massachusetts Gaming Commission	—	—	—	—	—	—	—	—
Comptroller	—	—	—	—	—	—	—	—
Administration and Finance	—	—	—	—	—	—	—	—
Energy and Environmental Affairs	—	—	—	408	—	85	—	1,007
Health and Human Services	—	256	1,113	—	—	—	—	—
Massachusetts Department of Transportation	—	—	—	—	—	—	—	—
Executive Office of Education	—	—	—	—	—	—	—	—
Center for Health Information and Analysis	—	—	—	—	—	—	—	—
Public Safety and Security	—	—	—	—	—	—	—	—
Housing and Economic Development	12,402	—	—	—	—	—	—	—
Labor and Workforce Development	—	—	—	—	—	—	—	—
Debt service:								
Principal retirement	—	—	—	—	—	—	2,786	—
Interest and fiscal charges	—	—	—	—	—	—	2,440	—
Total expenditures	12,402	256	1,113	408	—	85	5,226	1,007
Other financing uses:								
Fringe benefit cost assessment	—	—	—	50	—	—	—	146
Lottery operating reimbursements	—	—	—	—	—	—	—	—
Lottery distributions	—	—	—	—	—	—	—	—
Operating transfers out	—	1	—	36	—	—	—	—
Stabilization transfer	—	—	—	—	—	—	—	—
Commonwealth care trust transfer	—	—	—	—	—	—	—	—
Health safety net trust transfer	—	—	—	—	—	—	—	—
Federal reimbursement transfer out	—	—	—	—	—	—	—	—
Total other financing uses	—	1	—	86	—	—	—	146
Total expenditures and other financing uses	12,402	257	1,113	494	—	85	5,226	1,153
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	7,367	3	451	59	9	166	—	902
Fund balances (deficits) at beginning of year (restated)	2,424	58	37	34	2	6	(35,033)	1,936
Fund balances (deficits) at end of year	\$ 9,791	\$ 61	\$ 488	\$ 93	\$ 11	\$ 172	\$ (35,033)	\$ 2,838

See accountants' review report

continued

Non-Budgeted Special Revenue Funds
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances
Fiscal Year Ended June 30, 2016
(Amounts in thousands)

	Non-Budgeted Other Funds						
	Victims of Human Trafficking Trust	Department of Public Utilities Storm Trust	Financial Literacy Trust	Homeless Animal Prevention and Care	Horseneck Beach Reservation Trust	Environmental Trust	Social Innovation Financing Trust
REVENUES AND OTHER FINANCING							
Revenues:							
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Assessments	—	328	—	—	—	—	—
Federal grants and reimbursements	—	—	—	—	—	—	—
Departmental	—	—	—	—	50	735	—
Miscellaneous	—	—	144	249	—	13	—
Total revenues	—	328	144	249	50	748	—
Other financing sources:							
Operating transfers in	—	—	1	—	—	—	—
Health safety net trust transfer	—	—	—	—	—	—	—
Medical assistance transfer	—	—	—	—	—	—	—
Delivery system transformation initiatives trust	—	—	—	—	—	—	—
Total other financing sources	—	—	1	—	—	—	—
Total revenues and other financing sources	—	328	145	249	50	748	—
EXPENDITURES AND OTHER FINANCING							
Expenditures:							
Judiciary	—	—	—	—	—	—	—
Inspector General	—	—	—	—	—	—	—
Governor and Lieutenant Governor	—	—	—	—	—	—	—
Secretary of the Commonwealth	—	—	—	—	—	—	—
Treasurer and Receiver-General	—	—	20	—	—	—	—
Attorney General	—	—	—	—	—	—	—
District Attorney	—	—	—	—	—	—	—
Office of Campaign and Political Finance	—	—	—	—	—	—	—
Sheriff's Departments	—	—	—	—	—	—	—
Disabled Persons Protection Commission	—	—	—	—	—	—	—
Board of Library Commissioners	—	—	—	—	—	—	—
Massachusetts Gaming Commission	—	—	—	—	—	—	—
Comptroller	—	—	—	—	—	—	—
Administration and Finance	—	—	—	—	—	—	906
Energy and Environmental Affairs	—	249	—	188	50	915	—
Health and Human Services	—	—	—	—	—	—	—
Massachusetts Department of Transportation	—	—	—	—	—	—	—
Executive Office of Education	—	—	—	—	—	—	—
Center for Health Information and Analysis	—	—	—	—	—	—	—
Public Safety and Security	—	—	—	—	—	—	—
Housing and Economic Development	—	—	—	—	—	—	—
Labor and Workforce Development	—	—	—	—	—	—	—
Debt service:							
Principal retirement	—	—	—	—	—	—	—
Interest and fiscal charges	—	—	—	—	—	—	—
Total expenditures	—	249	20	188	50	915	906
Other financing uses:							
Fringe benefit cost assessment	—	69	—	8	—	73	—
Lottery operating reimbursements	—	—	—	—	—	—	—
Lottery distributions	—	—	—	—	—	—	—
Operating transfers out	—	15	—	—	—	43	—
Stabilization transfer	—	—	—	—	—	—	—
Commonwealth care trust transfer	—	—	—	—	—	—	—
Health safety net trust transfer	—	—	—	—	—	—	—
Federal reimbursement transfer out	—	—	—	—	—	—	—
Total other financing uses	—	84	—	8	—	116	—
Total expenditures and other financing uses	—	333	20	196	50	1,031	906
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	—	(5)	125	53	—	(283)	(906)
Fund balances (deficits) at beginning of year	1	156	—	150	74	3,296	6,129
Fund balances (deficits) at end of year	\$ 1	\$ 151	\$ 125	\$ 203	\$ 74	\$ 3,013	\$ 5,223

See accountants' review report

Non-Budgeted Other Funds

Children's Trust	Child Support Enforcement	Military Family Relief	Department of Industrial Accidents Special	Logan Airport Health Study Trust	AIDS Fund	Head Injury Treatment Services Trust	Board of Registration in Medicine	Water Pollution Abatement Project Administration	Child Care Quality
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	20,316	—	—	—	—	8,421	—
—	33,039	—	—	—	—	—	—	—	—
—	5,211	—	5,637	—	—	7,757	8,861	—	216
1	75	239	11	135	90	2	—	—	—
1	38,325	239	25,964	135	90	7,759	8,861	8,421	216
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
1	38,325	239	25,964	135	90	7,759	8,861	8,421	216
1	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	291	—	—	—	—	—	—	—	—
—	221	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	37,946	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	4,602	—
—	—	—	—	104	94	5,185	6,357	—	—
1	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	300	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	961	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
2	38,458	300	961	104	94	5,185	6,357	4,602	—
—	1,888	—	3,893	—	—	169	1,243	1,212	—
—	—	—	—	—	—	—	—	—	—
—	900	—	19,034	—	—	51	1,385	1,922	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	2,788	—	22,927	—	—	220	2,628	3,134	—
2	41,246	300	23,888	104	94	5,405	8,985	7,736	—
(1)	(2,921)	(61)	2,076	31	(4)	2,354	(124)	685	216
196	20,491	944	4,980	—	119	3,797	9,012	1,122	581
\$ 195	\$ 17,570	\$ 883	\$ 7,056	\$ 31	\$ 115	\$ 6,151	\$ 8,888	\$ 1,807	\$ 797

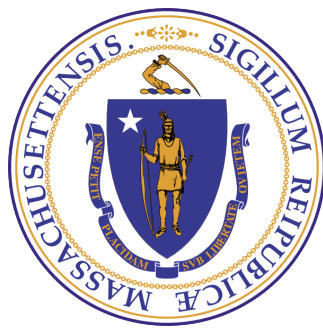
continued

Non-Budgeted Special Revenue Funds
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances
Fiscal Year Ended June 30, 2016
(Amounts in thousands)

	Non-Budgeted Other Funds							MassDOT
	Convention and Exhibition Center	Firearms Fingerprint Identity Verification Trust	Grant Anticipation Note Trust	Race Horse Development	Community Mitigation	Capital Needs Investment	Debt Defeasance Trust	Massachusetts Transportation Trust
REVENUES AND OTHER FINANCING SOURCES								
Revenues:								
Taxes	\$ 134,612	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Assessments	—	—	—	—	—	—	—	—
Federal grants and reimbursements	—	—	545,369	—	—	—	—	91,123
Departmental	—	1,435	—	14,453	—	—	—	468,127
Miscellaneous	194	—	176	2	—	—	94	41,837
Total revenues	<u>134,806</u>	<u>1,435</u>	<u>545,545</u>	<u>14,455</u>	<u>—</u>	<u>—</u>	<u>94</u>	<u>601,087</u>
Other financing sources:								
Operating transfers in	—	—	31,582	—	—	—	—	573,906
Health safety net trust transfer	—	—	—	—	—	—	—	—
Medical assistance transfer	—	—	—	—	—	—	—	—
Delivery system transformation initiatives trust transfer	—	—	—	—	—	—	—	—
Total other financing sources	—	—	31,582	—	—	—	—	573,906
Total revenues and other financing sources	<u>134,806</u>	<u>1,435</u>	<u>577,127</u>	<u>14,455</u>	<u>—</u>	<u>—</u>	<u>94</u>	<u>1,174,993</u>
EXPENDITURES AND OTHER FINANCING USES								
Expenditures:								
Judiciary	—	—	—	—	—	—	—	—
Inspector General	—	—	—	—	—	—	—	—
Governor and Lieutenant Governor	—	—	—	—	—	—	—	112
Secretary of the Commonwealth	—	—	—	—	—	—	—	—
Treasurer and Receiver-General	—	—	—	—	—	—	—	297
Attorney General	—	—	—	—	—	—	—	—
District Attorney	—	—	—	—	—	—	—	—
Office of Campaign and Political Finance	—	—	—	—	—	—	—	—
Sheriff's Departments	—	—	—	—	—	—	—	1,326
Disabled Persons Protection Commission	—	—	—	—	—	—	—	—
Board of Library Commissioners	—	—	—	—	—	—	—	—
Massachusetts Gaming Commission	—	—	—	8,827	400	—	—	—
Comptroller	—	—	—	—	—	—	—	—
Administration and Finance	50,024	—	—	—	—	—	—	5,672
Energy and Environmental Affairs	—	—	—	—	—	—	—	6,163
Health and Human Services	—	—	—	—	—	—	—	215
Massachusetts Department of Transportation	—	—	—	—	—	—	—	1,095,686
Executive Office of Education	—	—	—	—	—	—	—	—
Center for Health Information and Analysis	—	—	—	—	—	—	—	—
Public Safety and Security	—	918	—	—	—	—	—	288
Housing and Economic Development	—	—	—	—	—	1,218	—	—
Labor and Workforce Development	—	—	—	—	—	—	—	24
Debt service:								
Principal retirement	37,793	—	42,815	—	—	—	113,200	—
Interest and fiscal charges	16,718	—	33,234	—	—	—	—	—
Total expenditures	<u>104,535</u>	<u>918</u>	<u>76,049</u>	<u>8,827</u>	<u>400</u>	<u>1,218</u>	<u>113,200</u>	<u>1,109,783</u>
Other financing uses:								
Fringe benefit cost assessment	—	—	—	—	—	—	—	76,441
Lottery operating reimbursements	—	—	—	—	—	—	—	—
Lottery distributions	—	—	—	—	—	—	—	—
Operating transfers out	60,000	2,000	—	—	—	—	94	4,356
Stabilization transfer	—	—	—	—	—	—	—	—
Commonwealth care trust transfer	—	—	—	—	—	—	—	—
Health safety net trust transfer	—	—	—	—	—	—	—	—
Federal reimbursement transfer out	—	—	500,928	—	—	—	—	—
Total other financing uses	60,000	2,000	500,928	—	—	—	94	80,797
Total expenditures and other financing uses	<u>164,535</u>	<u>2,918</u>	<u>576,977</u>	<u>8,827</u>	<u>400</u>	<u>1,218</u>	<u>113,294</u>	<u>1,190,580</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(29,729)	(1,483)	150	5,628	(400)	(1,218)	(113,200)	(15,587)
Fund balances (deficits) at beginning of year (restated)	118,556	3,602	86,459	7,336	17,500	4,739	113,200	833,583
Fund balances (deficits) at end of year	<u>\$ 88,827</u>	<u>\$ 2,119</u>	<u>\$ 86,609</u>	<u>\$ 12,964</u>	<u>\$ 17,100</u>	<u>\$ 3,521</u>	<u>\$ —</u>	<u>\$ 817,996</u>

See accountants' review report

MassDOT			Totals (Memorandum only)	
Central Artery/ Tunnel Project Repair and Maintenance Trust	Motor Vehicle Safety Inspection Trust	Transportation Infrastructure and Development	2016	2015
\$ —	\$ —	\$ —	\$ 2,183,221	\$ 2,065,570
—	—	—	638,305	607,975
—	—	—	3,162,489	2,993,570
—	57,275	—	6,402,887	6,252,990
7,560	76	—	337,712	102,368
7,560	57,351	—	12,724,614	12,022,473
—	—	—	653,328	934,374
—	—	—	30,000	—
—	—	—	665,564	70,975
—	—	—	186,907	116,171
—	—	—	1,535,799	1,121,520
7,560	57,351	—	14,260,413	13,143,993
—	—	—	2,279	966
—	—	—	264	459
—	—	—	112	—
—	—	—	4,825	5,427
—	—	—	6,264,536	6,005,784
—	—	—	18,231	12,306
—	—	—	2,338	1,830
—	—	—	—	1,055
—	—	—	9,632	9,420
—	—	—	66	—
—	—	—	2,915	2,916
—	—	—	33,692	21,072
—	—	—	2,381	1,574
—	—	—	379,029	513,265
—	2,717	—	168,668	146,307
—	—	—	2,074,966	1,211,184
2,539	12,253	2,615	1,113,180	1,144,978
—	—	—	986,175	975,241
—	—	—	222	1,157
—	—	—	232,465	211,120
—	—	—	487,688	482,377
—	—	—	164,260	170,942
—	—	—	196,594	204,219
—	—	—	99,217	112,558
2,539	14,970	2,615	12,243,734	11,236,157
—	1,208	—	166,947	160,778
—	—	—	107,935	104,238
—	—	—	975,255	947,250
—	41,173	—	249,497	352,119
—	—	—	—	20,000
—	—	—	44,482	—
—	—	—	30,000	—
—	—	—	500,928	468,040
—	42,381	—	2,075,044	2,052,425
2,539	57,351	2,615	14,318,778	13,288,582
5,021	—	(2,615)	(58,365)	(144,589)
385,091	8,847	25,375	2,125,275	2,269,864
\$ 390,112	\$ 8,847	\$ 22,760	\$ 2,066,910	\$ 2,125,275



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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 the Massachusetts Department of Transportation (MassDOT) for capital projects activity.

Convention and Exhibition Center Project Fund - to account for proceeds of bonds to finance the construction of a convention center in the City of 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 from 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 FY16 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 Statement Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis

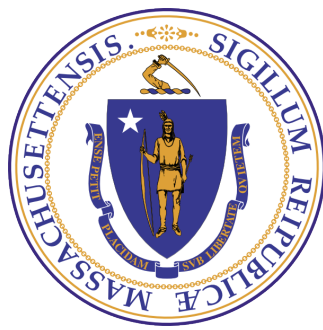
Fiscal Year Ended June 30, 2016

(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	\$ 76,898	\$ —	\$ —	\$ —
Departmental	—	—	—	—
Miscellaneous	—	—	—	1,198
Total revenues	76,898	—	—	1,198
Other financing sources:				
Issuance of general obligation bonds	1,496,632	—	—	759,343
Bond premiums (discounts) on general obligation bonds	128,652	—	—	55,362
Issuance of special obligation bonds	—	—	—	500,000
Bond premiums (discounts) on special obligation bonds	—	—	—	59,535
Issuance of current refunding bonds	71,336	—	2,456	109,618
Issuance of advance refunding bonds	639,867	—	87	548,178
Bond premiums (discounts) on advance refunding bonds	113,978	—	12	93,910
Federal reimbursement transfer in	—	—	—	—
State share of federal highway construction	—	—	—	—
Total other financing sources	2,450,465	—	2,555	2,125,946
Total revenues and other financing sources	2,527,363	—	2,555	2,127,144
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Judiciary	14,690	—	—	—
Governor and Lieutenant Governor	—	—	—	188
Secretary of the Commonwealth	1,535	—	—	—
Treasurer and Receiver-General	13,749	—	—	—
Auditor of the Commonwealth	2,333	—	—	—
Attorney General	23	—	—	296
Ethics Commission	627	—	—	—
Sheriff's Departments	3,572	—	—	—
Board of Library Commissioners	19,440	—	—	—
Comptroller	395	—	—	—
Administration and Finance	650,608	—	—	238
Energy and Environmental Affairs	232,762	—	—	1,494
Health and Human Services	47,140	—	—	—
Massachusetts Department of Transportation	146,909	—	—	1,249,539
Executive Office of Education	52,554	—	—	—
Public Safety and Security	41,227	—	—	—
Housing and Economic Development	271,080	—	—	25,181
Labor and Workforce Development	5,099	—	—	—
Total expenditures	1,503,741	—	—	1,276,935
Other financing uses:				
Payments to advance refunding bonds escrow	753,844	—	99	642,089
Principal on current refundings	71,336	—	2,456	109,618
Fringe benefit cost assessment	13,470	—	—	—
Operating transfers out	2	—	—	—
State share of federal highway construction	—	—	—	93,736
Total other financing uses	838,653	—	2,555	845,443
Total expenditures and other financing uses	2,342,394	—	2,555	2,122,378
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses				
	184,968	—	—	4,767
Fund balances (deficits) at beginning of year	(383,804)	8,393	—	(185,511)
Fund balances (deficits) at end of year	\$ (198,836)	\$ 8,393	\$ —	\$ (180,744)

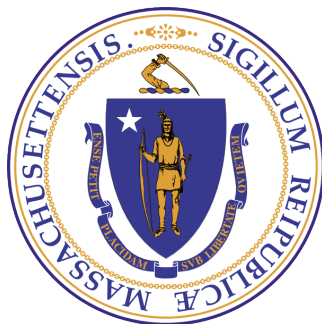
See accountant's review report

Federal Highway Construction Program	Government Land Bank Capital Projects	Local Aid Capital Projects	MassDOT		Totals (Memorandum only)	
			Central Artery Statewide Road and Bridge Infrastructure		2016	2015
\$ 8,862	\$ —	\$ —	\$ —	\$ 85,759	\$ 81,475	
2,922	—	—	—	2,922	3,004	
—	—	—	152	1,350	649	
11,784	—	—	152	90,031	85,128	
—	1,852	1,383	—	2,259,209	2,671,507	
—	—	—	—	184,014	198,987	
—	—	—	—	500,000	447,310	
—	—	—	—	59,535	86,372	
—	—	1,995	64,594	250,000	202,895	
—	12,733	11,790	—	1,212,655	429,445	
—	1,748	1,727	—	211,375	75,046	
500,929	—	—	—	500,929	468,040	
93,736	—	—	—	93,736	55,410	
594,665	16,333	16,895	64,594	5,271,453	4,635,012	
606,449	16,333	16,895	64,746	5,361,484	4,720,140	
—	—	—	—	14,690	12,072	
—	—	—	—	188	184	
—	—	—	—	1,535	1,560	
—	—	—	—	13,749	13,751	
—	—	—	—	2,333	3,272	
49	—	—	—	365	379	
—	—	—	—	627	94	
—	—	—	—	3,572	4,768	
—	—	—	—	19,440	20,440	
—	—	—	—	395	3,958	
1	1,344	1,098	—	653,288	648,653	
581	—	284	—	235,121	254,929	
—	—	—	—	47,140	58,593	
605,286	—	—	747	2,002,480	1,980,413	
—	—	—	—	52,554	28,669	
—	—	—	—	41,227	47,928	
—	—	—	—	296,261	279,477	
—	—	—	—	5,099	9,141	
605,916	1,344	1,382	747	3,390,064	3,368,281	
—	14,481	13,517	—	1,424,030	504,491	
—	—	1,995	64,594	250,000	202,895	
20	—	—	—	13,490	12,726	
—	—	—	—	2	—	
—	—	—	—	93,736	55,410	
20	14,481	15,512	64,594	1,781,258	775,522	
605,936	15,825	16,894	65,341	5,171,322	4,143,803	
513	508	1	(595)	190,162	576,337	
(1)	(508)	11	36,562	(524,860)	(1,101,197)	
\$ 512	\$ —	\$ 12	\$ 35,967	\$ (334,698)	\$ (524,860)	



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Supplemental Information



Calculation of Transfers – Stabilization and Tax Reduction Funds
Schedule A – FY2016 Tax Revenues by Revenue Class
Schedule B – Calculation of Cap on Stabilization Fund
Schedule C – Detail of Elimination of Budgetary Inter Fund Activity
Non-Tax Revenue Initiatives
Schedule of Post Employment Benefits – Last Six Fiscal Years

See review report

Calculation of Transfers: Stabilization Fund*

June 30, 2016
(Amounts are in thousands)

This statement is prepared on the statutory basis of accounting pursuant to General Laws Chapter 29, 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 Fund	Commonwealth Transportation Fund	Massachusetts Tourism Fund	Gaming Local Aid	Total
Budgeted Fund Undesignated Balances	\$ (30,031)	\$ 35,089	\$ 35,618	\$ (40,677)	\$ —
Fund Balance Deficit Elimination Transfers Per Section 5C of Ch. 29	30,031	(35,089)	(35,618)	40,677	—
Fund Balances after Deficit Elimination Transfers (Consolidated Net Surplus)	—	—	—	—	—
<u>Disposition of Consolidated Net Surplus per Section 159 of Ch. 133 of the Acts of 2016:</u>					
To the Massachusetts Community Preservation Trust Fund	—	—	—	—	—
To the Massachusetts Life Sciences Investment Fund	—	—	—	—	—
Remaining Consolidated Net Surplus to be Deposited in Stabilization Fund	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

Stabilization Balance Reconciliation:

Balance as of July 1, 2015	\$ 1,252,429
Capital Gains Tax Transfers to Stabilization Fund during FY2016 per Chapter 29, Section 5G	—
Judgments and Settlements In Excess of \$10 Million Transferred to Stabilization Fund per Ch. 29, Section 2H	—
Transfer to Stabilization Fund from Abandoned Property Revenue Growth from Prior Fiscal Year	27,100
Transfer of certain tax revenues to the Stabilization Fund	744
Stabilization Fund investment income	11,241
Less Transfers from Stabilization Fund during FY 2016	—
Remaining Consolidated Net Surplus Deposited in Stabilization Fund, per Calculation Above	—
Stabilization Fund Balance as of June 30, 2016	<u>\$ 1,291,514</u>

* Excludes funds with no FY16 balances or activity

Note: Details may not add to totals due to rounding

Calculation Of Transfers: Tax Reduction Fund

June 30, 2016

(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	\$ 1,291,514
Allowable Stabilization Fund balance (per Schedule B)	6,054,833
	<hr/>
Stabilization Fund excess, if any, transferable to Tax Reduction Fund	\$ —
	<hr/>

Part 2: Status of Stabilization Fund after transfers:

Stabilization Fund balance	\$ 1,291,514
Transfer to Tax Reduction Fund	—
	<hr/>
Stabilization Fund balance after transfer to Tax Reduction Fund	\$ 1,291,514
	<hr/>

Part 3: Status of Tax Reduction Fund after transfers:

Tax Reduction Fund balance	\$ —
Transfers from Stabilization Fund	—
	<hr/>
Tax Reduction Fund balance after transfers	\$ —
	<hr/>

Schedule A
FY2016 Tax Revenues By Revenue Class

June 30, 2016
(Amounts in thousands)

Alcoholic beverages	\$	82,611
Banks: financial institutions		23,465
Cigarette		505,561
Cigarette excise - Commonwealth Care		135,278
Corporations		2,312,031
Deeds		281,941
Estate and inheritance		399,429
Health care coverage penalty - Commonwealth Care		13,807
Income		14,393,713
Insurance		369,391
Motor and special fuels		766,553
Public utilities		(1,604)
Room occupancy		245,058
Sales and use		6,089,859
Club alcoholic beverages		784
Motor vehicle excise		100
Convention center surcharges		16,493
Community preservation		25,509
Satellite		11,773
Gaming revenue - Mass Gaming Commission		64,356
State racing - Mass Gaming Commission		1,326
Beano		1,409
Raffles and bazaars		897
Boxing		182
DOI excess and surplus lines		37,405
UI surcharge		22,814
 FY 2016 state tax revenue	 \$	 25,800,141

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, 2016
(Amounts in thousands)

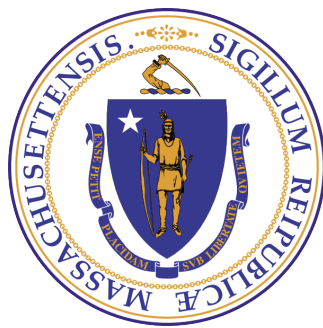
Total budgeted revenues and other financial resources pertaining to the budgeted funds	\$ 40,838,450
Elimination of budgetary interfund activity exclusive of fund closure (per Schedule C)	<u>(472,898)</u>
Budgeted revenues and other financial resources pertaining to the budgeted funds	<u>40,365,552</u>
Allowable Stabilization Fund balance, 15% of budgeted revenue	<u><u>\$ 6,054,833</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, 2016
(Amounts in thousands)

Adjustments to revenues :		
Transfer to the Intragovernmental Service Fund	\$	(385,270)
Adjustments to other financing sources and uses:		
Fringe benefit cost assessments		(4,485)
Transfer from the Intragovernmental Service Fund to the General Fund		(8,721)
RMV license plates		(3,524)
Other fund deficit support		(70,708)
Other		(190)
Elimination of budgetary interfund activity	\$	<u>(472,898)</u>



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Non-Tax Revenue Initiatives

June 30, 2016
(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 FY16 were (amounts in thousands):

Department Collectors	Collections	Fees
Collecto, Inc	\$ 2,528	\$ 340
Allen Daniels	1,423	195
Delta	764	119
Premier Credit of North America, LLC	473	88
Financial Asset Management Systems, Inc	268	27
Linebarger, Goggan, Blair & Sampson, LLP	43	7
Total	<u>\$ 5,499</u>	<u>\$ 776</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	\$ 2,042	\$ 262
Allen Daniels	691	106
Delta	625	97
Premier Credit of North America, LLC	278	48
Total	<u>\$ 3,636</u>	<u>\$ 513</u>

II. Revenue Maximization:

Section 2 of Chapter 165 of the Acts of 2014 authorized, effective in FY2015, the Department of Early Education and Care and the Executive Office for Health and Human Services the ability to retain and expend funds for contingency fee contracts. These fees relate to pursuing federal reimbursement or avoiding costs for the departments acting in their capacities as the single state agency under Title IV-E of the Social Security Act and Title XIX and XXI of the Social Security Act, respectively. The Office of the Comptroller no longer manages or reports contingency fee contracts for these services.

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 FY16, the following amounts were generated (amounts in thousands):

State expenditures avoided	\$ 2,667
Contractor payments	(313)
Net cost savings/avoidance	<u>\$ 2,354</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. FY16 activity (amounts in thousands):

Total Commonwealth intercepts	\$ 13,799
Amounts included above that were intercepted on behalf of the Institutions of Higher Education	\$ 7,196

Schedule of Pension and Post Employment Health 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 Employee's Retirement System						
Actuarial Valuation as of January 1, 2016	\$ 23,465,963	\$ 36,966,278	\$ 13,500,315	63.5%	\$ 5,792,288	233.1%
Actuarial Valuation as of January 1, 2015	22,720,160	33,679,150	10,958,990	67.5%	5,591,911	196.0%
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%

Teachers' Retirement System

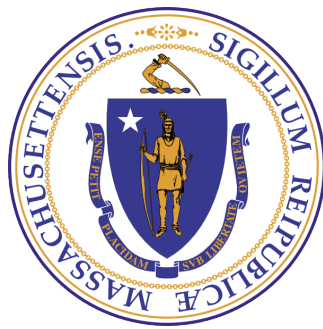
Actuarial Valuation as of January 1, 2016	\$ 24,593,787	\$ 46,562,807	\$ 21,969,020	52.8%	\$ 6,388,732	343.9%
Actuarial Valuation as of January 1, 2015	23,946,759	44,115,769	20,169,010	54.3%	6,204,274	325.1%
Actuarial Valuation as of January 1, 2014	22,940,196	40,741,695	17,801,499	56.3%	5,962,650	298.6%
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%

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

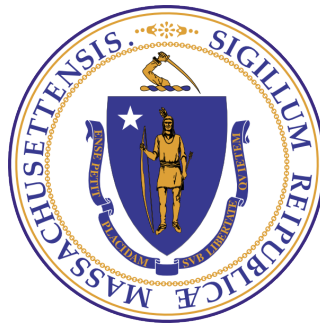
	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Unfunded Actuarial Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Covered Payroll
Actuarial Valuation as of January 1, 2016	\$ 760,400	\$ 17,082,900	\$ 16,322,500	4.5%	\$ 5,792,288	281.8%
Actuarial Valuation as of January 1, 2015	610,000	16,502,800	15,892,800	3.7%	5,591,911	284.2%
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%

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, 2016
(Amounts in millions)

	2016	% Total	2015	% Total	2014	% Total	2013	% Total
Taxes	\$ 25,800	42.7	\$ 25,239	44.4	\$ 23,665	43.6	\$ 22,396	43.8
Federal reimbursements	11,528	19.1	10,287	18.1	9,265	17.1	9,078	17.8
Federal grants	2,363	3.9	2,269	4.0	2,328	4.3	2,396	4.7
Lotteries	5,407	8.9	5,194	9.1	5,050	9.3	5,043	9.9
Assessments	1,058	1.7	1,033	1.8	1,079	2.0	1,018	2.0
Motor vehicle licenses and registrations	546	0.9	546	1.0	495	0.9	487	1.0
Fees, investment earnings, etc	5,016	8.3	4,409	7.8	4,252	7.9	3,858	7.5
Proceeds of general and special obligation bonds and related premiums	3,003	5.0	3,404	6.0	2,262	4.2	1,512	3.0
Proceeds of refunding bonds	1,674	2.8	707	1.2	722	1.3	231	0.5
Other interfund transfers	4,067	6.7	3,748	6.6	5,093	9.4	4,982	9.8
Total revenues and other financing sources	<u>\$ 60,462</u>	<u>100.0</u>	<u>\$ 56,836</u>	<u>100.0</u>	<u>\$ 54,211</u>	<u>100.0</u>	<u>\$ 51,001</u>	<u>100.0</u>

Certain amounts in fiscal years 2015 to 2007 were reclassified to conform to current presentation.

2012	% Total	2011	% Total	2010	% Total	2009	% Total	2008	% Total	2007	% Total
\$ 21,384	42.7	\$ 20,776	38.2	\$ 18,792	40.3	\$ 18,513	38.8	\$ 21,009	44.5	\$ 19,849	44.3
8,931	17.8	10,151	18.6	9,374	20.1	9,139	19.1	6,937	14.7	6,830	15.3
2,655	5.3	3,097	5.7	3,134	6.7	2,646	5.5	2,065	4.4	1,989	4.5
4,941	9.9	4,632	8.5	4,629	9.9	4,649	9.7	4,915	10.4	4,670	10.4
986	2.0	960	1.8	971	2.1	894	1.9	806	1.7	794	1.8
474	0.9	497	0.9	463	1.0	383	0.8	376	0.8	374	0.8
3,580	7.2	3,461	6.4	2,828	6.0	2,798	5.9	3,199	6.8	2,450	5.6
1,921	3.8	2,306	4.2	1,672	3.6	2,141	4.5	1,306	2.8	1,604	3.6
480	1.0	947	1.7	538	1.2	390	0.8	—	—	1,531	3.4
4,731	9.4	7,618	14.0	4,233	9.1	6,197	13.0	6,538	13.9	4,605	10.3
<u>\$ 50,083</u>	<u>100.0</u>	<u>\$ 54,445</u>	<u>100.0</u>	<u>\$ 46,634</u>	<u>100.0</u>	<u>\$ 47,750</u>	<u>100.0</u>	<u>\$ 47,151</u>	<u>100.0</u>	<u>\$ 44,696</u>	<u>100.0</u>

Ten-Year Schedule of Tax Revenues By Source

All Governmental Fund Types - Statutory Basis

June 30, 2016

(Amounts in millions)

	2016	% Total	2015	% Total	2014	% Total	2013	% Total
Income	\$ 14,394	55.8	\$ 14,449	57.3	\$ 13,202	55.8	\$ 12,831	57.5
Sales and use	6,090	23.6	5,804	23.0	5,519	23.3	5,184	23.1
Corporations	2,312	9.0	2,172	8.6	2,049	8.7	1,822	8.1
Motor fuels	767	3.0	756	3.0	732	3.1	651	2.9
Cigarette	506	2.0	510	2.0	521	2.2	440	2.0
Insurance	369	1.4	333	1.3	316	1.3	373	1.7
Estate and inheritance	399	1.5	341	1.4	402	1.7	313	1.4
Banks: Financial Institutions*	23	0.1	52	0.2	136	0.6	78	0.3
Alcoholic beverages	83	0.3	80	0.3	79	0.3	77	0.3
Other	857	3.3	742	2.9	711	3.0	625	2.7
Total taxes	<u>\$ 25,800</u>	<u>100.0</u>	<u>\$ 25,239</u>	<u>100.0</u>	<u>\$ 23,667</u>	<u>100.0</u>	<u>\$ 22,394</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.

2012	% Total	2011	% Total	2010	% Total	2009	% Total	2008	% Total	2007	% Total
\$ 11,911	55.7	\$ 11,576	55.7	\$ 10,110	53.8	\$ 10,584	57.2	\$ 12,484	59.4	\$ 11,400	57.4
5,079	23.8	4,921	23.7	4,626	24.6	3,880	21.0	4,098	19.5	4,076	20.5
1,771	8.3	1,951	9.4	1,600	8.5	1,549	8.4	1,512	7.2	1,588	8.0
662	3.1	661	3.2	655	3.5	654	3.5	673	3.2	676	3.4
451	2.1	454	2.2	456	2.4	457	2.5	437	2.1	438	2.2
318	1.5	296	1.4	285	1.5	309	1.7	369	1.8	369	1.9
293	1.4	310	1.5	221	1.2	260	1.4	254	1.2	250	1.3
267	1.2	(11)	(0.1)	235	1.3	243	1.3	548	2.6	341	1.7
77	0.4	73	0.4	72	0.4	73	0.4	72	0.3	71	0.4
555	2.5	545	2.6	532	2.8	504	2.6	562	2.7	640	3.2
<u>\$ 21,384</u>	<u>100.0</u>	<u>\$ 20,776</u>	<u>100.0</u>	<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>

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

June 30, 2016

(Amounts in millions)

	2016	% Total	2015	% Total	2014	% Total	2013	% Total
Legislature	\$ 61	0.1	\$ 60	0.1	\$ 56	0.1	\$ 57	0.1
Judiciary	896	1.5	852	1.5	831	1.5	802	1.5
Inspector General	4	—	5	—	6	—	6	—
Governor and Lieutenant Governor	7	—	7	—	5	—	6	—
Secretary of the Commonwealth	45	0.1	52	0.1	53	0.1	50	0.1
Treasurer and Receiver-General	6,485	10.7	6,224	11.1	5,893	10.9	5,867	11.3
Auditor of the Commonwealth	20	—	21	—	19	—	19	—
Attorney General	63	0.1	56	0.1	53	0.1	50	0.1
Ethics Commission	3	—	2	—	2	—	2	—
District Attorney	116	0.2	111	0.2	108	0.2	108	0.2
Office of Campaign and Political Finance	2	—	2	—	1	—	1	—
Sheriff's Departments	616	1.0	595	1.1	571	1.0	543	1.0
Disabled Persons Protection Commission	3	—	3	—	2	—	2	—
Board of Library Commissioners	48	0.1	49	0.1	45	0.1	41	0.1
Massachusetts Gaming Commission	35	0.1	21	—	23	—	14	—
Comptroller	17	—	20	—	18	—	14	—
Administration and Finance	8,823	14.8	8,832	15.9	8,862	16.3	8,665	16.8
Energy and Environmental Affairs	627	1.0	628	1.1	561	1.0	490	0.9
Housing and Community Development	—	—	—	—	—	—	—	—
Health and Human Services	22,579	37.3	20,398	36.0	18,649	34.1	17,447	34.1
Transportation and Public Works	—	—	—	—	—	—	—	—
Massachusetts Department of Transportation	3,287	5.4	3,248	5.8	2,914	5.4	2,439	4.7
Office of the Child Advocate	1	—	—	—	—	—	—	—
Executive Office of Education	3,320	5.5	3,218	5.7	3,130	5.8	2,952	5.7
Center for Health Information and Analysis	27	—	28	—	25	—	9	—
Public Safety and Security	1,396	2.3	1,350	2.4	1,313	2.4	1,324	2.6
Housing and Economic Development	1,320	2.2	1,281	2.3	1,251	2.3	1,214	2.3
Labor and Workforce Development	214	0.4	223	0.4	237	0.4	300	0.6
Post employment benefits	2,503	4.1	2,287	3.9	2,109	3.7	1,990	3.8
Debt service	2,470	4.1	2,507	4.5	2,410	4.4	2,351	4.5
Payments to advance refunding escrow agent/ Principal on current refunding	1,674	2.8	707	1.3	722	1.3	230	0.4
Other fund deficit support	71	0.1	89	0.2	168	0.3	—	—
Other interfund transfers	3,685	6.1	3,409	6.2	4,673	8.6	4,752	9.2
Total expenditures and other financing uses	<u>\$ 60,417</u>	<u>100.0</u>	<u>\$ 56,285</u>	<u>100.0</u>	<u>\$ 54,710</u>	<u>100.0</u>	<u>\$ 51,745</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 2016, this schedule reflects Budgeted, Non-Budgeted and Capital Projects expenditures and other financing uses only.

Certain amounts in fiscal years 2015 to 2007 were reclassified to conform to current presentation.

2012	% Total	2011	% Total	2010	% Total	2009	% Total	2008	% Total	2007	% Total
\$ 58	0.1	\$ 58	0.1	\$ 59	0.1	\$ 60	0.1	\$ 58	0.1	\$ 59	0.2
780	1.6	788	1.5	788	1.7	814	1.6	831	1.7	788	1.8
3	—	3	—	4	—	3	—	3	—	3	—
7	—	5	—	5	—	8	—	9	—	5	—
43	0.1	46	0.1	54	0.1	53	0.1	53	0.1	55	0.1
5,847	11.7	5,610	10.6	5,483	11.5	6,043	12.2	5,640	11.8	5,267	11.7
18	—	17	—	17	—	20	—	19	—	18	—
53	0.1	51	0.1	53	0.1	57	0.1	56	0.1	52	0.1
2	—	2	—	2	—	2	—	2	—	2	—
101	0.2	97	0.2	96	0.2	104	0.2	104	0.2	96	0.2
1	—	3	—	1	—	1	—	1	—	2	—
532	1.1	511	1.0	378	0.8	295	0.6	296	0.7	275	0.6
2	—	2	—	2	—	3	—	2	—	2	—
34	0.1	34	0.1	34	0.1	48	0.1	46	0.1	42	0.1
1	—	—	—	—	—	—	—	—	—	—	—
13	—	14	—	15	—	14	—	14	—	14	—
7,456	14.9	7,206	13.7	7,040	14.9	6,892	14.2	7,059	14.8	7,043	15.7
456	0.9	482	0.9	529	1.1	526	1.1	473	1.0	450	1.0
—	—	—	—	—	—	—	—	—	—	509	1.1
17,632	35.1	17,737	33.5	16,044	33.8	16,468	33.3	15,504	32.5	14,456	32.4
—	—	—	—	509	1.1	1,689	3.4	1,378	2.9	1,404	3.1
2,323	4.6	2,278	4.3	1,542	3.2	—	—	—	—	—	—
—	—	3,225	6.1	3,184	6.7	3,390	6.9	2,989	6.3	2,936	6.5
3,030	6.0	—	—	—	—	—	—	—	—	—	—
—	—	1,172	2.2	1,308	2.7	1,456	2.9	1,381	2.9	1,253	2.8
1,236	2.5	—	—	—	—	—	—	—	—	—	—
1,203	2.4	1,283	2.4	1,245	2.6	981	2.0	857	1.8	508	1.1
390	0.8	428	0.8	403	0.8	331	0.7	274	0.6	67	0.1
1,892	3.8	1,839	3.5	1,749	3.7	1,314	2.7	1,399	2.9	1,335	3.0
2,272	4.5	2,128	4.0	2,117	4.5	2,145	4.3	2,239	4.7	2,352	5.2
388	0.8	540	1.0	538	1.1	—	—	—	—	1,531	3.4
—	—	65	0.1	—	—	220	0.4	1,593	3.5	—	—
4,352	8.7	7,272	13.8	4,373	9.2	6,456	13.1	5,403	11.3	4,383	9.8
<u>\$ 50,125</u>	<u>100.0</u>	<u>\$ 52,896</u>	<u>100.0</u>	<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>

Ten-Year Schedule of Budgeted Funds Expenditures and Other Financing Uses By Major Program Category

June 30, 2016
(Amounts in millions)

	2016	2015	2014	2013	2012	2011	2010	2009*	2008	2007
Direct local aid	\$ 5,568	\$ 5,420	\$ 5,292	\$ 5,116	\$ 4,929	\$ 4,785	\$ 4,837	\$ 4,724	\$ 5,040	\$ 5,033
Medicaid**	14,851	13,655	11,901	10,800	10,431	10,237	9,287	8,537	8,104	7,413
Other Health and Human Services	5,433	5,301	4,980	4,769	4,711	4,615	4,616	4,970	5,014	—
Public Assistance	—	—	—	—	—	—	—	—	—	1,258
Elementary and Secondary Education	539	515	515	489	436	349	358	496	486	—
Higher Education	1,194	1,162	1,092	991	937	943	846	1,036	1,085	1,116
Early Education and Care	548	538	510	483	494	515	513	560	550	—
Public Safety and Security	1,066	1,041	1,010	960	930	905	1,053	1,224	1,265	—
Energy and Environmental Affairs	221	225	215	202	187	186	202	216	227	—
MBTA and regional transit authorities	—	—	—	—	—	—	—	—	—	52
Post employment benefits	2,503	2,287	2,109	1,990	1,892	1,839	1,749	1,314	1,399	1,335
Group health insurance	1,630	1,665	1,403	1,278	1,206	1,130	1,064	973	853	1,022
Debt service	2,174	2,190	2,133	2,117	1,923	1,664	1,860	1,891	1,868	2,085
Major programs	35,727	33,999	31,160	29,195	28,076	27,168	26,385	25,941	25,891	19,314
Other program expenditures	3,241	3,326	3,294	3,007	2,899	2,851	2,999	2,762	2,739	8,343
Interfund transfers and other financing uses ..	1,959	1,527	3,200	3,149	2,515	5,520	1,810	3,867	4,405	1,819
Total expenditures and other financing uses ..	\$ 40,927	\$ 38,852	\$ 37,654	\$ 35,351	\$ 33,490	\$ 35,539	\$ 31,194	\$ 32,570	\$ 33,035	\$ 29,476

* Fiscal years 2008 through 2016 presentation aligned with Bond Official Statements - Commonwealth Expenditures - Budgeted Operating Funds

** Exclusive of non-budgeted Medicaid spending within the Health Care Quality Improvement Fund, totaling \$290 million in fiscal 2007.

Certain amounts in fiscal years 2015 to 2007 were reclassified to conform to current presentation.

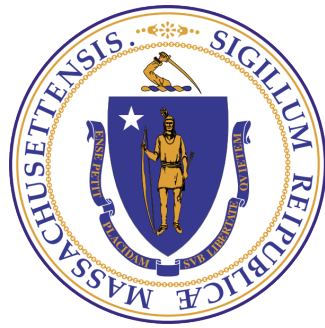
Ten-Year Schedule of Long-Term Bonds And Notes Outstanding

Fiscal Year Ended June 30, 2016

(Amounts in millions)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General obligation bonds	\$ 21,668	\$ 20,802	\$ 19,387	\$ 19,140	\$ 18,852	\$ 18,517	\$ 17,683	\$ 17,052	\$ 16,085	\$ 16,033
Grant anticipation notes*	657	700	531	449	610	766	991	1,134	1,536	1,666
Special obligation bonds	2,754	2,324	2,292	1,924	1,972	1,592	1,053	1,079	1,113	1,249
Commonwealth long-term bonds	<u>\$ 25,079</u>	<u>\$ 23,826</u>	<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>

*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, 2016

(Amounts in thousands)

				Totals				
				2016	2015 Restated			
				University of Massachusetts	State Universities and Colleges	Community Colleges		
Revenues and other financing sources:								
Federal grants and reimbursements		\$	286,393	\$	56,453	\$ 173,061	\$ 515,907	\$ 532,948
Departmental revenue			1,353,498		476,256	387,588	2,217,341	2,075,768
Miscellaneous revenue			1,231,056		378,686	291,210	1,900,951	1,679,194
Total revenues and other financing sources			2,870,947		911,395	851,859	4,634,200	4,287,910
Expenditures and other financing uses (by MMARS subsidiary):								
AA	Regular employee compensation		680,953		177,582	171,366	1,029,901	954,660
BB	Regular employee related expenses		24,379		5,618	3,505	33,502	30,802
CC	Special employees and contracted services		263,184		133,787	214,334	611,305	607,258
DD	Pension and insurance		195,523		46,114	37,693	279,329	248,213
EE	Administrative expenditures		104,810		70,674	39,485	214,969	216,369
FF	Facility operational supplies		165,509		15,149	22,468	203,126	196,323
GG	Energy costs and space rental		141,738		41,454	25,357	208,550	207,393
HH	Consultant services		205,830		11,989	14,999	232,818	237,453
JJ	Operational services		42,167		38,773	15,483	96,423	90,549
KK	Equipment purchase		33,702		5,949	10,818	50,469	67,015
LL	Equipment leases, maintenance and repair		26,677		7,663	6,160	40,500	38,375
MM	Purchased client services and programs		36,969		4,011	2,717	43,698	41,571
NN	Construction and improvements		127,452		44,748	20,686	192,886	167,196
PP	Aid to local governments		—		156	4,287	4,443	2,694
RR	Benefit programs		370,758		98,600	176,406	645,764	656,360
SS	Debt payment		28,378		13,864	3,892	46,134	54,513
TT	Loans and special payments		286,243		132,688	31,053	449,983	280,331
UU	Information technology (IT) expenses		91,407		29,069	27,678	148,154	143,857
Total expenditures and other financing uses			2,825,679		877,889	828,385	4,531,953	4,240,932
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses			45,268		33,506	23,473	102,247	46,978
Fund balance at beginning of year, as restated			875,277		448,410	297,495	1,621,183	1,574,205
Fund balance at end of year		\$	920,545	\$	481,916	\$ 320,968	\$ 1,723,430	\$ 1,621,183

University of Massachusetts
Combining Higher Education Non-Appropriated Activity - Statutory Basis
Fiscal Year Ended June 30, 2016
(Amounts in thousands)

	Totals	
	2016	2015 Restated
Revenues and other financing sources:		
Federal grants and reimbursements	\$ 286,393	\$ 291,886
Departmental revenue	1,353,498	1,245,089
Miscellaneous revenue	1,231,056	975,559
Total revenues and other financing sources	2,870,947	2,512,534
Expenditures and other financing uses (by MMARS subsidiary):		
AA Regular employee compensation	680,953	621,269
BB Regular employee related expenses	24,379	22,462
CC Special employees and contracted services	263,184	250,601
DD Pension and insurance	195,523	171,759
EE Administrative expenditures	104,810	112,630
FF Facility operational supplies	165,509	156,550
GG Energy costs and space rental	141,738	147,268
HH Consultant services	205,830	212,542
JJ Operational services	42,167	41,931
KK Equipment purchase	33,702	47,911
LL Equipment leases, maintenance and repair	26,677	26,007
MM Purchased client services and programs	36,969	34,988
NN Construction and improvements	127,452	102,792
PP Aid to local governments	—	10
RR Benefit programs	370,758	377,193
SS Debt payment	28,378	26,974
TT Loans and special payments	286,243	89,797
UU Information technology (IT) expenses	91,407	89,297
Total expenditures and other financing uses	2,825,679	2,531,981
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	45,268	(19,447)
Fund balance at beginning of year, as restated	875,277	894,724
Fund balance at end of year	<u>\$ 920,545</u>	<u>\$ 875,277</u>

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

Fiscal Year Ended June 30, 2016

(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.....	\$ 14,779	\$ 6,021	\$ 7,942	\$ 2,333
Departmental revenue.....	122,292	50,411	53,780	29,165
Miscellaneous revenue.....	86,984	61,015	36,454	20,845
Total revenues and other financing sources.....	224,055	117,448	98,175	52,342
Expenditures and other financing uses (by MMARS subsidiary):				
AA Regular employee compensation.....	67,700	10,003	19,976	10,198
BB Regular employee related expenses.....	1,445	464	517	401
CC Special employees and contracted services.....	42,784	10,816	12,544	5,842
DD Pension and insurance.....	19,983	3,050	4,863	828
EE Administrative expenditures.....	6,101	37,916	2,304	2,282
FF Facility operational supplies.....	1,657	2,840	1,371	1,317
GG Energy costs and space rental.....	5,218	3,756	4,019	2,053
HH Consultant services.....	1,878	1,405	755	1,522
JJ Operational services.....	12,157	6,993	1,299	2,063
KK Equipment purchase.....	751	575	651	811
LL Equipment leases, maintenance and repair.....	2,308	740	769	363
MM Purchased client services and programs.....	2,152	328	298	—
NN Construction and improvements.....	4,442	4,928	16,275	6,844
PP Aid to local governments.....	—	80	—	—
RR Benefit programs.....	24,384	8,508	9,784	8,645
SS Debt payment.....	1,807	393	—	—
TT Loans and special payments.....	20,303	17,200	30,882	8,061
UU Information technology (IT) expenses.....	5,491	4,039	3,249	1,817
Total expenditures and other financing uses.....	220,561	114,033	109,556	53,045
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses.....	3,494	3,415	(11,380)	(703)
Fund balance at beginning of year.....	27,187	55,865	58,355	16,985
Fund balance at end of year.....	\$ 30,682	\$ 59,280	\$ 46,974	\$ 16,282

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	
					2016	2015
\$ 612	\$ 3,243	\$ 12,341	\$ 472	\$ 8,712	\$ 56,453	\$ 56,875
33,458	21,753	29,162	58,825	77,410	476,256	447,210
11,867	14,770	80,525	32,225	34,002	378,686	398,812
45,937	39,765	122,028	91,521	120,123	911,395	902,897
7,596	8,924	29,160	5,171	18,853	177,582	155,750
783	449	281	845	434	5,618	4,779
8,037	7,790	17,657	8,480	19,839	133,787	130,005
1,025	880	8,485	985	6,016	46,114	39,479
1,206	1,833	13,027	3,374	2,631	70,674	70,486
1,166	413	3,177	2,087	1,121	15,149	14,652
2,018	1,811	6,102	11,610	4,868	41,454	31,106
1,228	897	1,565	1,705	1,034	11,989	11,371
8,808	3,532	1,688	1,244	989	38,773	35,521
130	1,131	562	848	490	5,949	7,604
846	88	446	1,331	772	7,663	5,887
—	—	752	—	481	4,011	3,627
558	1,041	3,383	3,767	3,511	44,748	39,243
—	75	1	—	—	156	118
696	6,423	18,117	11,117	10,927	98,600	89,894
—	386	355	281	10,642	13,864	23,568
7,639	2,333	13,396	9,608	23,266	132,688	155,220
1,772	1,191	5,751	2,385	3,375	29,069	27,764
43,507	39,196	123,904	64,840	109,247	877,889	846,072
2,430	570	(1,876)	26,681	10,876	33,506	56,825
37,572	12,904	31,218	149,970	58,354	448,410	391,586
\$ 40,002	\$ 13,473	\$ 29,342	\$ 176,651	\$ 69,230	\$ 481,916	\$ 448,410

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

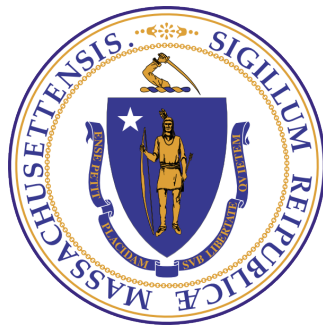
Fiscal Year Ended June 30, 2016

(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	\$ 3,792	\$ 25,193	\$ 18,677	\$ 4,373	\$ 5,337	\$ 11,654	\$ 18,018
Departmental revenue	9,262	43,959	24,702	11,046	15,205	14,632	37,141
Miscellaneous revenue	9,772	29,846	38,491	13,432	6,291	18,970	22,791
Total revenues and other financing sources ..	22,826	98,998	81,869	28,851	26,833	45,256	77,951
Expenditures and other financing uses							
(by MMARS subsidiary):							
AA Regular employee compensation	2,470	35,000	12,616	3,614	5,005	6,571	15,184
BB Regular employee related expenses	121	227	389	118	18	272	142
CC Special employees and contracted services ..	5,593	18,428	31,471	10,026	6,637	9,236	20,941
DD Pension and insurance	852	2,067	4,221	1,607	1,459	1,788	4,926
EE Administrative expenditures	1,295	2,838	2,298	1,312	1,317	1,781	2,261
FF Facility operational supplies	496	1,244	847	255	297	2,882	1,535
GG Energy costs and space rental	762	3,049	2,280	1,185	1,150	1,209	1,292
HH Consultant services	381	779	476	206	486	399	1,536
JJ Operational services	605	1,921	602	498	588	939	419
KK Equipment purchase	1,094	747	1,853	46	104	902	787
LL Equipment leases, maintenance and repair ..	169	643	241	109	212	111	519
MM Purchased client services and programs	25	342	1,098	—	3	33	320
NN Construction and improvements	357	2,755	863	623	472	543	2,328
PP Aid to local governments	52	—	186	—	7	83	3,309
RR Benefit programs	5,333	26,704	19,836	4,396	6,718	13,471	12,601
SS Debt payment	19	245	—	—	—	280	1,034
TT Loans and special payments	2,376	91	329	141	296	800	7,072
UU Information technology (IT) expenses	958	6,271	2,146	824	753	2,314	1,834
Total expenditures and other financing uses ..	22,959	103,350	81,751	24,962	25,520	43,613	78,041
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	(133)	(4,352)	118	3,889	1,313	1,643	(90)
Fund balance at beginning of year	3,017	24,282	14,879	18,841	1,621	13,941	33,477
Fund balance at end of year	\$ 2,884	\$ 19,930	\$ 14,997	\$ 22,730	\$ 2,934	\$ 15,584	\$ 33,387

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	
								2016	2015
\$ 4,696	\$ 19,665	\$ 1,601	\$ 11,290	\$ 14,528	\$ 14,339	\$ 6,383	\$ 13,514	\$173,061	\$184,188
19,390	33,529	28,730	40,150	32,702	44,613	754	31,773	387,588	383,469
15,605	32,090	19,448	25,844	16,617	8,067	20,272	13,674	291,210	304,822
39,691	85,285	49,779	77,284	63,847	67,019	27,409	58,961	851,859	872,479
1,657	18,269	24,143	14,070	22,745	8,355	163	1,507	171,366	177,642
202	619	274	459	128	—	48	489	3,505	3,562
14,897	28,246	10,222	16,020	7,778	15,181	9,959	9,699	214,334	226,652
1,167	6,356	3,301	4,234	1,882	3,103	132	596	37,693	36,975
2,423	1,822	2,194	1,598	2,007	2,707	10,717	2,916	39,485	33,253
548	1,565	979	1,420	3,089	4,255	775	2,283	22,468	25,121
2,200	2,879	395	1,891	1,508	3,156	1,185	1,216	25,357	29,019
418	1,650	1,518	470	1,407	1,967	1,607	1,698	14,999	13,540
—	2,397	933	2,949	230	1,303	956	1,143	15,483	13,098
—	391	529	494	275	1,159	133	2,304	10,818	11,500
—	1,375	309	226	187	741	178	1,140	6,160	6,481
274	—	10	—	235	—	—	377	2,717	2,955
2,187	—	3,049	3,428	679	1,341	392	1,669	20,686	25,162
3	—	184	—	461	—	—	2	4,287	2,565
9,642	162	1,322	27,989	13,107	16,592	1,207	17,326	176,406	189,274
45	—	318	681	1,271	—	—	—	3,892	3,972
—	19,328	—	275	13	317	15	—	31,053	35,314
1,781	1,501	57	2,008	2,040	3,925	878	387	27,678	26,796
37,444	86,558	49,737	78,211	59,039	64,101	28,345	44,753	828,385	862,880
2,247	(1,274)	43	(927)	4,808	2,918	(936)	14,207	23,473	9,600
15,635	2,803	10,753	8,340	10,086	3,480	16,217	120,123	297,495	287,896
\$ 17,882	\$ 1,529	\$ 10,796	\$ 7,413	\$ 14,894	\$ 6,398	\$ 15,281	\$ 134,330	\$320,968	\$297,495



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