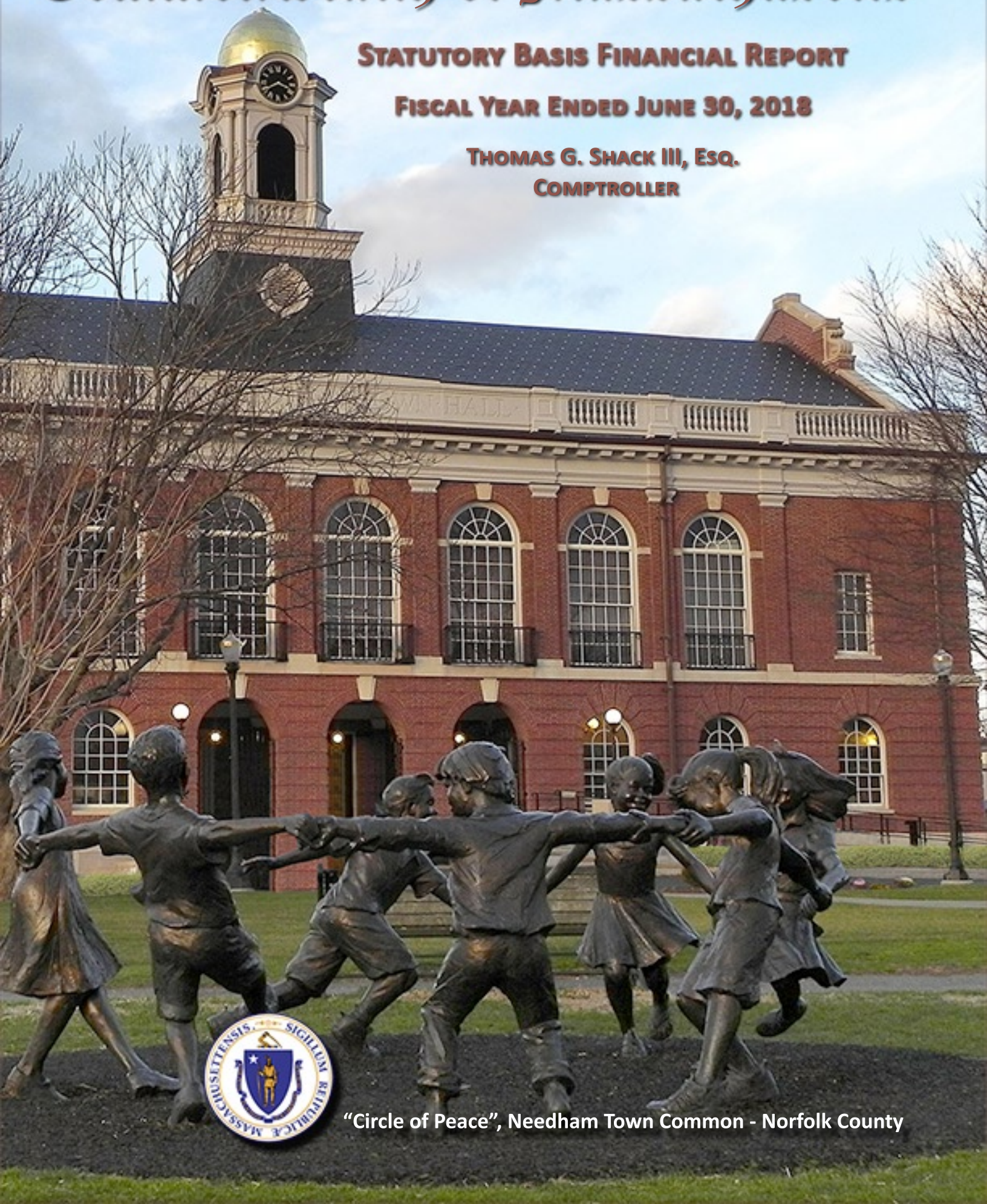


Commonwealth of Massachusetts

STATUTORY BASIS FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2018

THOMAS G. SHACK III, ESQ.
COMPTROLLER



"Circle of Peace", Needham Town Common - Norfolk County

Commonwealth of Massachusetts



Statutory Basis Financial Report

For the Fiscal Year Ended June 30, 2018

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.macomptroller.org

“Circle of Peace” Statue - Needham Town Common - Norfolk County

The “Circle of Peace” is a life-size statue by artist Gary Lee Price. It sits in the center of Needham Town Common and represents children from all walks of life playing together.

According to artist Gary Lee Price, “The circle that the children form represents the continuum of humanity. The clasped hands represent the interaction and cooperation, together with compassion and respect, which engenders humanity. Respect for each other’s uniqueness bridges the gap between any indifference.”

Photo courtesy of flickr user I. Drizik

Statutory Basis Financial Report

For the Fiscal Year Ended June 30, 2018

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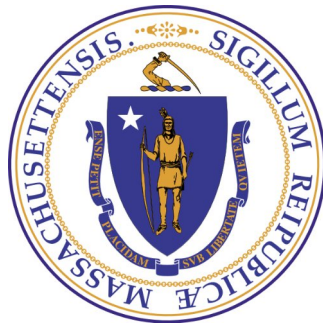
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Introductory Section



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The Commonwealth of Massachusetts
Office of the Comptroller

November 6, 2018

The People of Massachusetts
His Excellency Charles D. Baker, Governor
Senator Joan Lovely, Vice Chair of the Senate Committee on Ways and Means
Representative Jeffrey Sánchez, Chair of the House Committee on Ways and Means
Secretary Michael J. Heffernan, Executive Office for Administration and Finance

The Office of the Comptroller is pleased to provide the Commonwealth's Statutory Basis Financial Report (SBFR) for the fiscal year ended June 30, 2018. In our opinion, the SBFR provides an independent and unbiased accounting of Commonwealth revenues and expenditures for Fiscal Year 2018. It has also been reviewed in accordance with professional standards established by the American Institute of Certified Public Accountants.

Under M.G.L. c. 7A, s. 7, the Comptroller is responsible for interpreting and implementing accounting standards through the establishment of a statewide accounting system and corresponding accounting rules for all 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 by October 31st of each year.

The delayed enactment of the final FY18 Supplemental Appropriation Act and a technical corrections bill on October 29, 2018 created an inherent dilemma. To the extent that the late enactment of the FY18 supplemental budget conflicted with the statutory filing deadline, we were compelled to choose completeness over expediency. Therefore, the issuance of the SBFR on or before October 31, 2018 was delayed until today.

Once the Final Supplemental technical corrections bill was enacted, we immediately closed the Commonwealth's books for FY18. In the ensuing days, our statewide audit team implemented the requisite transactions in the state's accounting system, recorded those transactions in the SBFR, finalized and submitted the SBFR for review to our external auditors, and today filed the SBFR pursuant to M.G.L. c. 7A. I strongly encourage earlier action as part of the FY19 closing so that we are not put in this unenviable position next year.

We remind you that the two month period between August 31 and October 31 are necessary for completion of reporting, reconciliation, and independent auditor review of the statements, including certification of the Consolidated Net Surplus (CNS). The issued SBFR then serves as the basis for the FY18 Comprehensive Annual Financial Report (CAFR) required pursuant to M.G.L. c. 7A, s. 12, and it becomes increasingly more difficult to accurately complete the CAFR in a timely manner if the SBFR deadline is not met.

We strongly encourage all involved to take the necessary actions to enact final supplemental appropriations earlier and consistent with Massachusetts' own statutory obligations to prevent the possibility of unnecessary negative repercussions. Delays may jeopardize the Commonwealth's ability to qualify for the Governmental Finance Officers Association (GFOA) Certificate of Excellence in Financial Reporting. The Commonwealth's adherence to its own SBFR and CAFR statutory filing deadlines and the high standards required to achieve GFOA Certificate of Excellence status are monitored by rating agencies and the investment community.

As we conclude our review of Fiscal Year 2018, we 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. We would also like to express additional appreciation to Deputy Comptroller Howard Merkowitz and the Statewide Financial Reporting and Analysis Team led by Michael Rodino and Pauline Lieu for their tireless effort.

Respectfully,

A handwritten signature in blue ink, appearing to read 'T. Shack, III'.

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

A handwritten signature in blue ink, appearing to read 'J. Shapiro'.

Jeffrey S. Shapiro, Esq.
First Deputy Comptroller

Report Summary

As of June 30, 2018, the Commonwealth had a budgeted fund balance of approximately \$2.387 billion and completed FY18 with a budget surplus according to state finance law (see below for the definition of a balanced budget and surplus of \$229 million under state finance law). During the fiscal year, the balance of the Commonwealth's Stabilization (or rainy day) Fund increased by \$701 million, to \$2.001 billion, as a result of transfers of capital gains tax revenues, abandoned property, investment earnings, and statutorily required deposits of the FY18 budget surplus. No funds were drawn from the Stabilization Fund in FY18. (The Budgeted Funds – Operations table on page 8 displays the FY18 summary of budgeted funds compared to FY17. Details of FY18 Stabilization Fund activity are provided on pages 11 and [116](#).) The total budgeted fund balance of \$2.387 billion reflects a gain (revenues and other financing sources greater than expenditures and other financing uses) of approximately \$939 million, added to the FY18 beginning balance of \$1.448 billion. This follows an FY17 operating loss of \$34 million. In addition to the \$2.001 billion reserved in the Stabilization Fund, \$371 million is reserved for continuing appropriations and debt service in fiscal year 2019. The remaining undesignated balance of \$14 million is made up of smaller budgeted fund balances.

During FY18, budgeted fund tax revenues increased by \$2.078 billion, or 8.7%, from FY17, as tax revenue growth due to the accelerating expansion of the Massachusetts economy and strength of asset markets resulted in growth in the Commonwealth's most significant tax revenue sources -- income taxes (including capital gains taxes), sales taxes, and corporate/business taxes. Before transfers between budgeted funds (which do not affect total budgeted fund balances), total budgeted fund revenues and other financing sources increased by \$2.652 billion, or 6.4%. Budgeted fund expenditures and other financing uses increased by \$1.679 billion, or 4.1%, 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 primarily 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 FY18 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, as defined in Massachusetts law, is used to budget and control the Commonwealth's 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 GAAP-based CAFR. The major differences are that the CAFR reflects capital assets and depreciation expense, all types of long-term obligations – including debt, pensions, and other-post employment benefits (or OPEB, which are mainly retirees' health insurance benefits) – 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 the 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. State finance law defines a “balanced budget” as a consolidated net surplus of \$0 or greater. The largest of the budgeted funds are the General Fund and the Commonwealth Transportation Fund, which in FY18 accounted for approximately 93.9% and 4.7%, respectively, of total budgeted fund expenditures and other financing uses. The remaining approximately 1.4% of budgeted fund activity is comprised of nine smaller funds, seven 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, the Office of the Comptroller is required to transmit the SBFR by October 31st. However, due to the fact that the final FY18 supplemental budget bill and related technical correction legislation were not enacted and signed into law until October 29, 2018, this SBFR is being transmitted on November 6, 2018 in order to provide sufficient time to accurately incorporate the bill’s provisions into this report and have the report reviewed by the Commonwealth’s independent auditor.

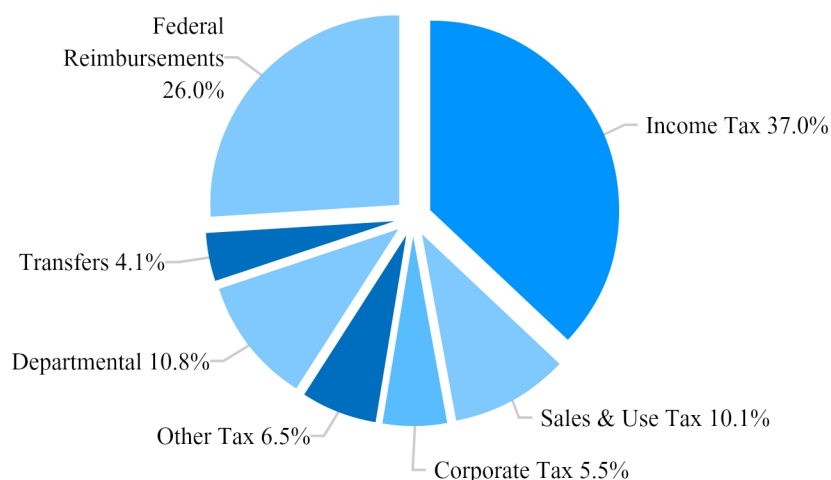
The SBFR for the fiscal year ended June 30, 2018 is reviewed, not audited, by KPMG LLP and represents the closing of the Commonwealth’s books for the fiscal year.

The Economic Context

The funding available to the Commonwealth to finance its programs is determined largely by the performance of the state’s economy, particularly growth in employment, which drives the personal income tax, the state’s largest revenue source. In FY18, the Commonwealth’s economy continued to perform better than the nation as a whole. Between June 2017 and June 2018, employment grew by approximately 63,000 jobs, or 1.7%, compared to employment growth of 1.6% for the United States as a whole over the same period. As of June 2018, the Massachusetts unemployment rate was 3.5%, compared to 4.0% nationally.

The Budgeted Funds

**Budgeted Fund Revenues and Other Sources
Before Transfers Between Budgeted Funds (Total of \$43.8 billion)**



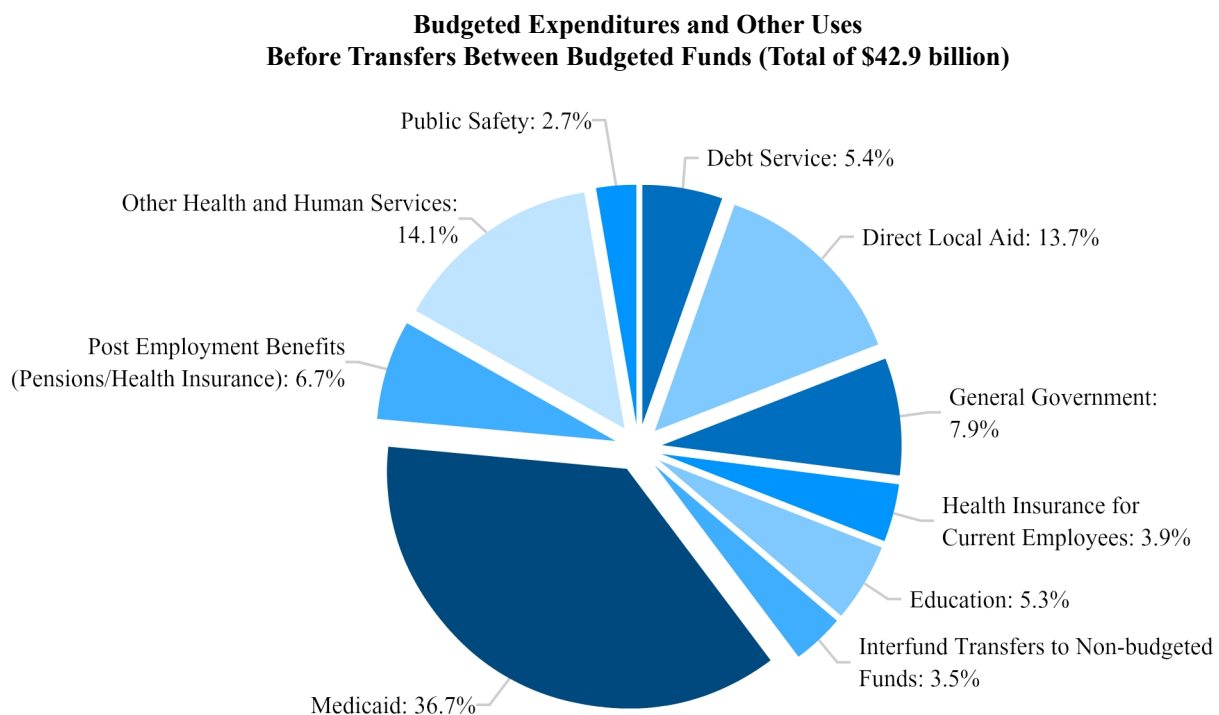
The FY18 budget enacted by the Legislature (the General Appropriation Act) included an FY18 tax revenue estimate of \$26.422 billion (a reduction from the FY18 consensus estimate of \$27.072 billion, which had been adjusted downward by \$650 million after tax revenue was below forecast at the end of FY17), further adjusted upward by \$321 million to \$26.743 billion as a result of \$196 million in tax law changes and \$125 million in tax settlements included in the budget. \$24.864 billion of that revenue was to be deposited in the budgeted funds and \$1.879 billion was to be deposited directly into non-budgeted funds for transfers of sales tax revenue dedicated to the Massachusetts Bay Transportation Authority (\$1.007 billion) and the Massachusetts School Building Authority (\$847 million), and revenue deposited in the non-budgeted Workforce Training Fund (\$25 million). (However, the Governor, in signing the FY18 budget, notified the

Legislature that his administration assumed that FY18 tax revenues would be \$26.629 billion (including \$125 million in tax settlement revenues), \$114 million lower than in the Legislature's enacted budget, primarily because he believed that the consensus tax revenue estimate should be reduced by approximately \$750 million, not \$650 million.) The FY18 budget appropriations also reflected the assumption that a reduction in the personal income tax rate would not be triggered during FY18, as had been previously projected in the FY18 consensus tax revenue estimate.

In October 2017, with tax revenues tracking estimates assumed in the FY18 enacted budget, the Secretary of Administration and Finance affirmed the FY18 tax revenue estimate. In January 2018, the Secretary of Administration and Finance revised the Fiscal Year 2018 state tax revenue estimate upward to \$26.761 billion (including \$100 million in projected judgment and settlement revenue), to reflect strong growth in year-to-date income tax withholding.

FY18 tax revenues upon which the FY18 General Appropriation Act was based ended the year at \$27.788 billion (including \$11 million in tax settlements exceeding \$10 million each -- the Commonwealth also received \$26 million in non-tax settlements), of which \$25.907 billion was deposited in the budgeted funds. Tax revenue deposited in the budgeted funds grew by \$2.078 billion, or 8.7%, from FY17, and was \$1.024 billion above the final FY18 tax estimate.

The FY18 General Appropriation Act (GAA) authorized approximately \$40.877 billion in spending, exclusive of approximately \$2.395 billion in required pension contributions and \$109 million in FY17 spending authorized to be continued into FY18 as part of FY17 end-of-year supplemental budgets.



Approximately \$947 million in supplemental appropriations were authorized during FY18, \$464 million of which were enacted prior to June 30, 2018. Subsequent to year end, a supplemental budget was enacted totaling approximately \$483 million in new appropriations, \$135 million of which was to fund FY18 Medicaid expenses, \$40 million of which supplemented local road and bridge capital spending, \$33 million of which was for snow and ice removal costs incurred by the Massachusetts Department of Transportation in FY18, \$29 million of which was to fund county Sheriffs' FY18 payroll expenses in FY18, with virtually all of the remainder continued to FY19 and reappropriated. In addition to the year-end FY18 supplemental appropriations just described, the year's significant supplemental appropriation activity included:

- \$295 million for transfers to the Medical Assistance Trust Fund;
- \$116 million to fund collective bargaining contracts (\$101 million to be paid in FY19);
- \$26 million for transitional aid to families with dependent children;
- \$20 million for the Underground Storage Tank Program;
- \$19 million for emergency housing assistance to low-income families.

FY18 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 \$43.819 billion, an increase of \$2.652 billion, or 6.4%, from FY17. As the Massachusetts economy continued to expand robustly, tax revenue grew by \$2.078 billion, or 8.7%. Personal income tax withholding increased by \$762 million, or 6.4%, capital gains revenue (part of the personal income tax) increased by \$498 million, or 42.0%, from FY17, sales and use tax grew by \$196 million, or 4.4%, corporate taxes grew by \$199 million, or 9.1%, and estate taxes increased by \$136 million, or 33.9%. Federal reimbursements totaled \$11.377 billion, an increase of \$519 million, or 4.8%, primarily due to growth in reimbursements for increased Medicaid program spending and for Medical Assistance Trust payments to local hospitals that care for Medicaid-eligible patients. Departmental revenue, which consists primarily of assessments and fees for state licenses and state services, totaled \$4.742 billion, an increase of \$360 million, or 8.2%, from FY17, driven largely by an increase of \$165 million in revenues from a new universal health insurance assessment, a \$58 million, or 60.3%, increase in payments from the University of Massachusetts Medical Center to the Commonwealth's General Fund, and a \$57 million, or 10.3%, increase in payments from Massachusetts cities and towns to the Group Insurance Commission to reimburse the Commonwealth for local health insurance programs managed by the GIC. Interfund transfers from non-budgeted funds totaled \$1.793 billion, a decrease of \$306 million, or 14.6%, from FY17, due primarily to reduced trust fund closeouts and other non-budgeted fund transfers to the General Fund.

The Commonwealth continues to receive revenues, as it will in perpetuity, from the Master Settlement Agreement (MSA) between the states and the tobacco industry to recover health care costs for tobacco-related illnesses. In FY18, the Commonwealth received \$243 million in tobacco settlement funds, a decrease of \$11 million compared to FY17. The \$243 million represented approximately 66.9% 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 FY2022 and after. For FY18, the statutorily required transfer was 60% of tobacco settlement revenues; however, the FY18 budget actions reduced the percentage of tobacco settlement revenues deposited to the SRBTF from 60% to 30%. That action reduced the FY18 transfer to approximately \$73 million, compared to the statutorily required transfer of \$146 million.

FY18 budgeted expenditures and other financing uses, including transfers to non-budgeted funds (but before transfers between the budgeted funds) totaled \$42.880 billion, an increase of \$1.679 billion, or 4.1%, from FY17, 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 \$36.132 billion, an increase of \$1.165 billion, or 3.3%, from FY17. Medicaid expenditures totaled \$15.745 billion, an increase of \$493 million, or 3.2%, from FY17, with the growth primarily due to increased medical services utilization, Medicare premium increases, and health care cost growth, especially pharmacy costs for emerging drugs. Spending for direct local aid (both education aid and unrestricted aid), at \$5.886 billion, was up \$182 million, also up 3.2%, from FY17.

Spending on state employee health benefits paid through the Group Insurance Commission (excluding benefits paid to retirees) decreased by \$29 million, or 1.7%, declining from \$1.663 billion to \$1.634 billion. Budgeted debt service totaled \$2.323 billion, up \$39 million, or 1.7%, from FY17.

Interfund transfers to non-budgeted funds (primarily the Universal Health Care funds) totaled \$1.534 billion, an increase of \$243 million or 18.9%, primarily due to an increase in transfers to the Medical Assistance Trust Fund (where expenditures vary greatly from year-to-year, depending on the timeliness of federal government approval of certain reimbursements), which grew by \$177 million, or 43.8% from FY17, and growth in post-employment benefits (for pension contributions and retiree health insurance), which totaled \$2.891 billion, an increase of \$232 million, or 8.7%,

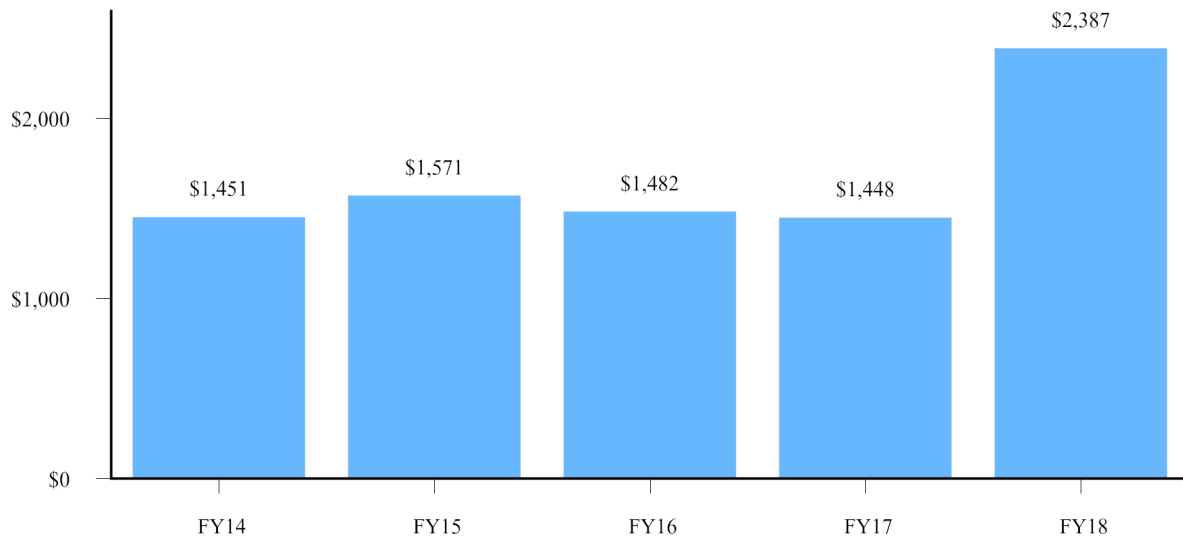
as the Commonwealth increased its pension contribution by \$196 million, or 8.9%, from FY17 and increased its transfer to the State Retiree Benefits Trust Fund (to fund retiree health insurance benefits) by \$48 million, from \$25 million to \$73 million.

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 and in bond disclosure documents to actual amounts in this report. In FY18, transfers among the Budgeted Funds totaled \$1.217 billion, an increase of \$600 million, or 97.1%, from FY17, primarily due to transfers from the General Fund and other budgeted funds to the Stabilization Fund resulting from increased capital gains taxes and the end of fiscal year’s budget surplus, both of which are statutorily required to be deposited in the Stabilization Fund. A detailed list of these interfund transfers is included in [Note 3](#) of the financial statements and [Schedule C](#) of the Supplemental Information section of this report.

Budgeted Funds - Operations
(Amounts in thousands)

	2018	2017
<u>Beginning fund balances:</u>		
Reserved and designated	\$ 117,396	\$ 126,018
Reserved for Stabilization Fund	1,300,678	1,291,514
Undesignated	29,661	64,461
Total	1,447,735	1,481,993
<u>Revenues and other financing sources:</u>		
Taxes	25,906,660	23,828,296
Federal reimbursements	11,376,956	10,857,830
Departmental and other revenues, including tobacco settlement	4,742,182	4,382,133
Interfund transfers from non-budgeted funds and other financing sources	1,793,423	2,099,068
Budgeted revenues and other financing sources	43,819,221	41,167,327
Intragovernmental Service Fund revenues	437,226	417,935
Interfund transfers among budgeted funds and other financing sources	779,788	199,481
Total revenues and other financing sources	45,036,235	41,784,743
<u>Expenditures and other financing uses:</u>		
Programs and services	36,131,642	34,966,817
Debt service	2,323,361	2,284,677
Post employment benefits	2,891,491	2,659,709
Interfund transfers to non-budgeted funds and other financing uses	1,533,793	1,290,382
Budgeted expenditures and other financing uses	42,880,287	41,201,585
Intragovernmental Service Fund expenditures	437,226	417,935
Interfund transfers among budgeted funds and other financing uses	779,788	199,481
Total expenditures and other financing uses	44,097,301	41,819,001
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	938,934	(34,258)
<u>Ending fund balances:</u>		
Reserved and designated	371,472	117,396
Reserved for Stabilization Fund	2,001,299	1,300,678
Undesignated	13,898	29,661
Total	<u>\$ 2,386,669</u>	<u>\$ 1,447,735</u>

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, 2018, the ending balance is comprised mainly of the fund balance of the General Fund and the Stabilization Fund. Due to designations of fund balances, \$371 million of the total budgeted fund balance, exclusive of the Stabilization Fund, is reserved for appropriations and debt service in FY19. The remaining \$14 million is undesignated in the budgeted environmental funds that are not included in the consolidated net surplus calculation.

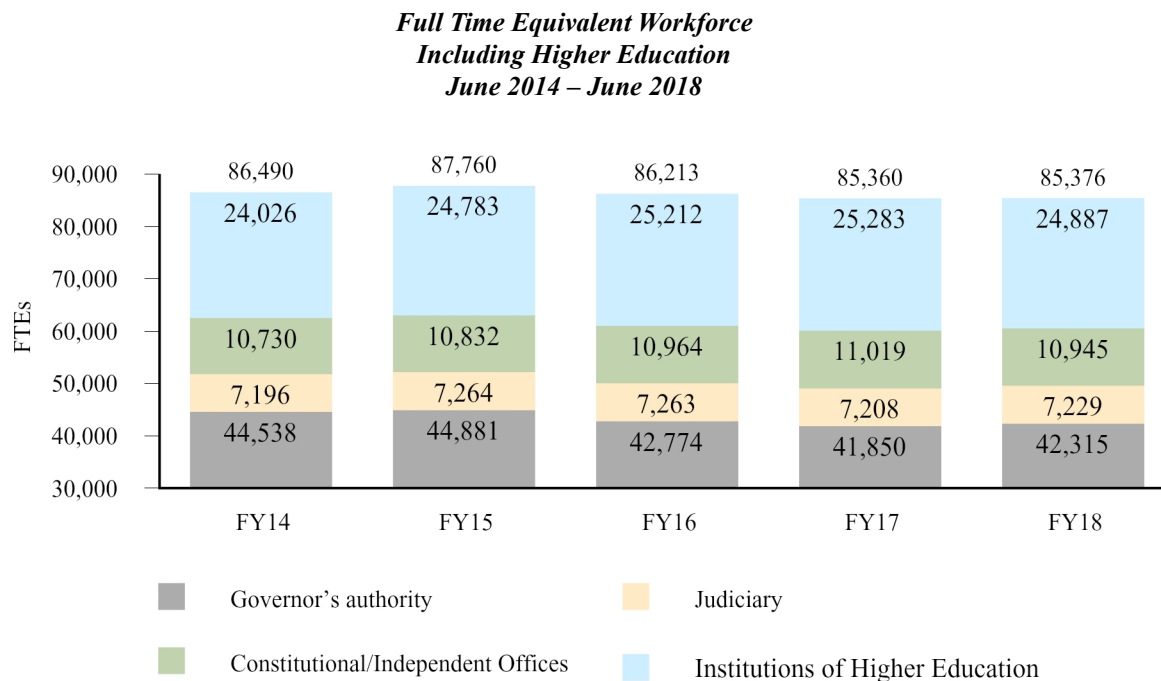
Lottery and Gaming

Gross Lottery revenues (including revenues from the Arts Lottery) grew from \$5.258 billion in FY17 to \$5.442 billion in FY18, an increase of \$184 million, or 3.5%. Despite the increase in gross revenues, 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 appropriation as mandated in the FY18 budget, declined to \$997 million, a decrease of \$43 million, or 4.1%, from FY17, as prize payments increased. Of that \$997 million in profits, and as mandated in the FY18 General Appropriation Act, approximately \$982 million was transferred to the General Fund to reimburse it for so-called Unrestricted General Government Aid (formerly Lottery Local Aid), \$14 million reimbursed the Massachusetts Cultural Council appropriation, and \$1 million reimbursed a compulsive gambling prevention program appropriation.

FY18 was the third fiscal year in which tax revenues were collected on profits generated by slot machines at the Plainridge slots parlor. FY18 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 \$68 million, an increase of \$1 million from FY17, which was earmarked for local aid; an additional \$15 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 FY19 budget relies on \$66 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. As of June 30, 2018, the number of Commonwealth employees was virtually the same as on June 30, 2017, increasing over the year by a net of approximately 16 full-time equivalent employees (FTEs), to a total of 85,376.

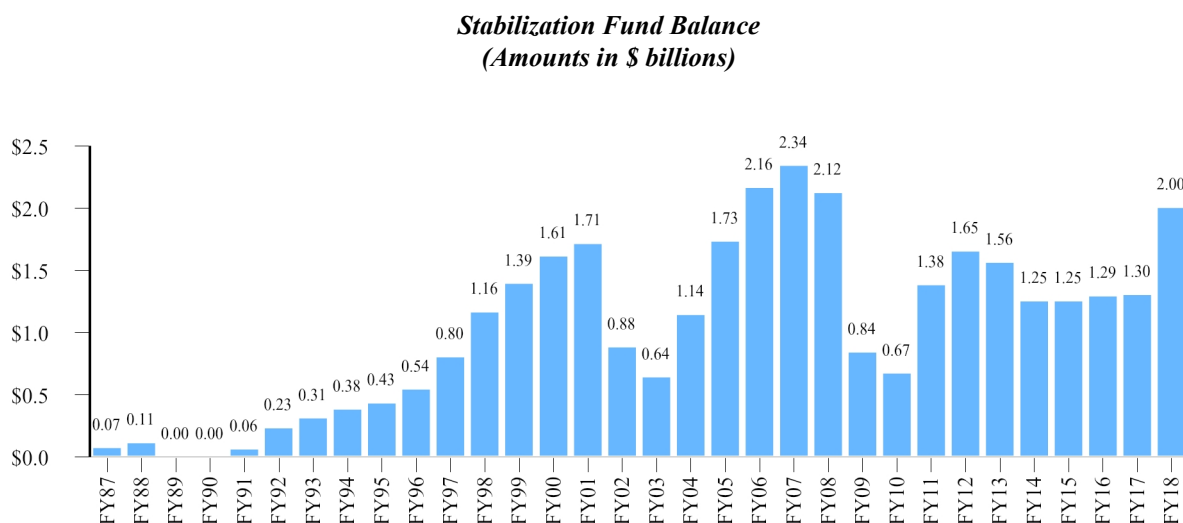


The Stabilization Fund

The Stabilization (or rainy day) Fund provides a reserve to be used in the event of an economic downturn or other fiscal emergency. The balance of the Stabilization Fund increased by \$701 million, to \$2.001 billion, between FY17 and FY18, with the main sources of growth being transfers of certain capital gains tax revenues and the end of fiscal year surplus.

Massachusetts state finance law includes a statutory requirement to transfer tax revenue attributable to capital gains above an annual threshold to the Stabilization Fund, State Pension Liability Fund, and State Retiree Benefits Trust Fund. The FY18 capital gains tax threshold, as determined by the Department of Revenue, was \$1.169 billion. In July 2018, the Department of Revenue certified that FY18 tax collections attributable to capital gains totaled \$1.683 billion, resulting in a \$514 million transfer of above-threshold capital gains tax revenue from the General Fund, with \$463 million going to the Stabilization Fund and \$26 million being transferred to both the State Pension Liability Fund and the State Retiree Benefits Trust Fund. In closing the books on FY18, the Comptroller transferred \$209 million of the consolidated net surplus to the Stabilization Fund per state finance law. During the fiscal year, the Fund also earned \$15 million in investment income and received a small amount of tax revenue, and at the end of the fiscal year, an additional \$13 million was transferred to the Stabilization Fund from an increase in FY18 net abandoned property collections, as required by state finance law. The Commonwealth made no withdrawals from the Stabilization in FY18, other than the statutorily required transfers of capital gains tax revenue to Pension and Retiree Benefits Funds. (Detail on transfers to and from the Stabilization Fund is shown in the table on [page 116](#)).

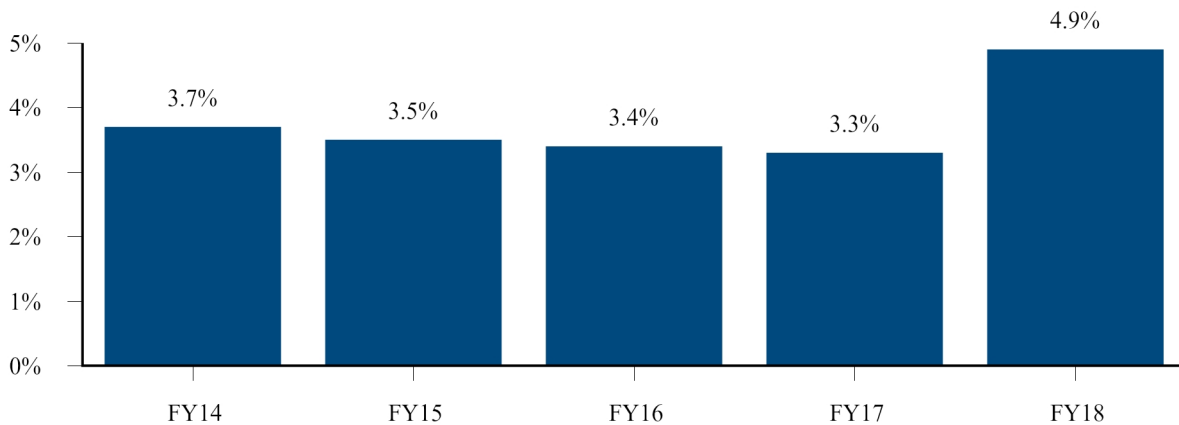
The following chart shows the end of fiscal year Stabilization Fund balances since the Fund's inception in 1986.



Rainy day fund balances are typically measured both in terms of the absolute size of those funds and the funds' balances as a percentage of General Fund expenditures, with the latter calculation taking into account a state's level of spending that stabilization funds are required to cover when economic downturns cause unanticipated declines in states' tax revenues and increases in demand for state services. According to The National Association of State Budget Officers' (NASBO) [*Spring 2018 Fiscal Survey of the States*](#), at the close of FY17 (the most recent year for which final rainy day fund balances were available for all states), the Commonwealth Stabilization Fund's balance of \$1.301 billion, or 3.3% of General Fund expenditures, was the thirteenth largest in the nation in absolute terms. (Five states had a zero stabilization fund balance at the end of FY17.). According to the *Survey* and the Commonwealth's results shown in this report, at the end of FY18 Massachusetts, with a Stabilization Fund balance of \$2.001 billion, or 4.9% of the Commonwealth's General Fund expenditures, will have the sixth largest stabilization fund balance at the end of FY18 in absolute size.

The following chart shows the Commonwealth's Stabilization Fund balance as a percentage of General Fund expenditures over the past five fiscal years. Prior years' financial reports have shown this measure of Stabilization Fund balance in comparison to the median percentage of other states; however, many other states account for federally reimbursed spending not in the General Fund, but in a separate fund established for that purpose, while Massachusetts accounts for such expenditures (equal to more than \$11 billion in FY18, most of which is for Medicaid) in the General Fund. This difference in accounting practice between Massachusetts and other states results in the Commonwealth having a lower Stabilization Fund balance as a percentage of General Fund expenditures than would be the case if such expenditures were accounted for identically to other states. Therefore, this percentage measure is not strictly comparable to other states and has been excluded from this year's SBFR.

Stabilization Fund Balance as a Percentage of General Fund Expenditures



With the \$701 million added to the Stabilization Fund balance in FY18, the Fund's balance has risen close to a level not seen since FY08, though the balance is still more than \$340 million below its highest point in FY07, prior to the most recent recession. The FY19 General Appropriation Act assumes that a deposit of more than \$400 million will be made to the Fund in FY18 from above-threshold capital gains tax revenue and interest earnings.

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 FY18, the Commonwealth maintained 101 non-budgeted funds, while another 23 were inactive.

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

The table on the following page, Non-Budgeted Special Revenue Funds - Operations, summarizes the FY18 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)

	2018	2017
Beginning fund balance.....	\$ 1,891,339	\$ 2,066,899
Revenues and other financing sources:		
Taxes.....	2,269,843	2,214,074
Assessments.....	806,095	754,577
Federal grants and reimbursements.....	3,488,353	3,255,134
Departmental and miscellaneous.....	6,779,993	6,415,100
Transfers and other financing sources.....	1,519,517	1,334,082
Total revenues and other financing sources	14,863,801	13,972,967
Expenditures and other financing uses:		
Programs and services	12,527,983	11,749,567
Debt service.....	195,607	193,876
Transfers and other financing uses	1,962,804	2,205,084
Total expenditures and other financing uses	14,686,394	14,148,527
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	177,407	(175,560)
Ending fund balance.....	\$ 2,068,746	\$ 1,891,339

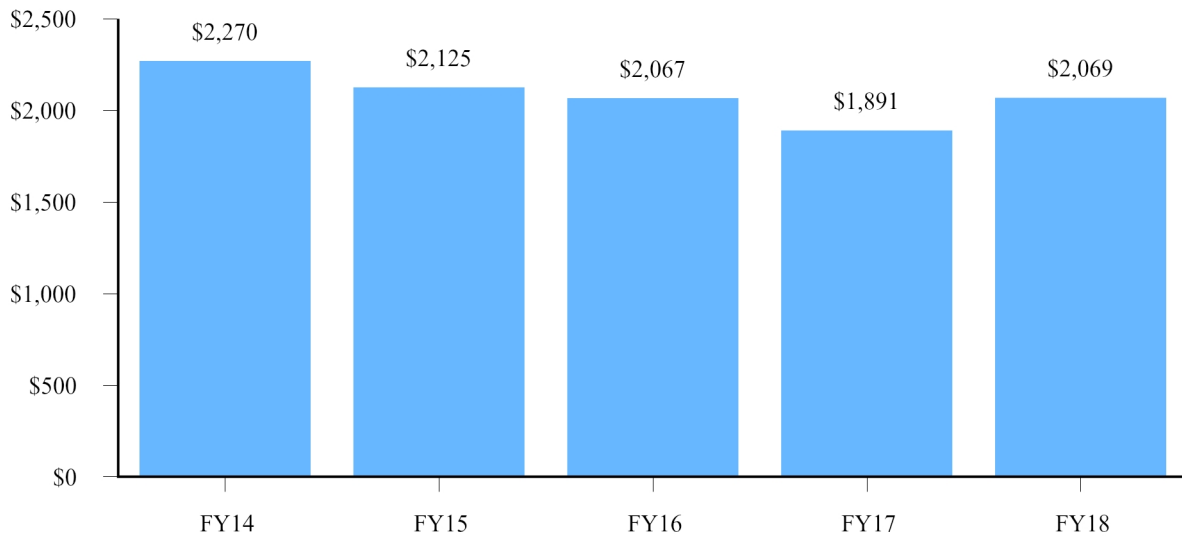
In FY18, four Non-Budgeted Special Revenue Funds had operating deficits in excess of \$10 million. They were:

- \$25 million – Health Safety Net Trust Fund;
- \$31 million – MassHealth Delivery System Reform Trust;
- \$17 million – Distressed Hospital Trust Fund;
- \$12 million – Enhanced 911 Fund.

In FY18, \$61 million of the Commonwealth’s federal transportation funds were used to repay prior year expenditures, which were financed through Federal Grant Anticipation Notes (GANs). In addition, approximately \$37 million in interest payments for the GANs were funded by a General Fund appropriation.

For the fifteen active Universal Health Care funds, revenues and other financing sources were \$2.295 billion in FY18, an increase of approximately \$531 million from FY17. This increase was due primarily to growth in transfers to the Medical Assistance Trust Fund (MATF) and the Massachusetts Health System Delivery Reform Trust Fund. Expenditures from the Universal Health Care funds totaled \$2.335 billion, an increase of \$548 million from FY17, due primarily to growth in spending from those same two funds. 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 92% of total non-budgeted fund balances include:

- \$843 million – Massachusetts Transportation Trust Fund;
- \$379 million – Central Artery/Tunnel Project Repair and Maintenance Trust Fund;
- \$196 million – Convention and Exhibition Center Fund;
- \$111 million – Enhanced 911 Fund;
- \$93 million – Grant Anticipation Note Trust Fund;
- \$83 million – Commonwealth Care Trust Fund;
- \$78 million – Health Safety Net Trust Fund;
- \$41 million – Workforce Training Trust Fund;
- \$26 million – MassHealth Delivery System Reform Trust Fund;
- \$21 million – Community Preservation Trust Fund;
- \$18 million – Medical Marijuana Trust Fund;
- \$17 million – Distressed Hospital Trust Fund.

As noted in previous reports, the Government Land Bank Fund has a continuing structural fund deficit. The FY18 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

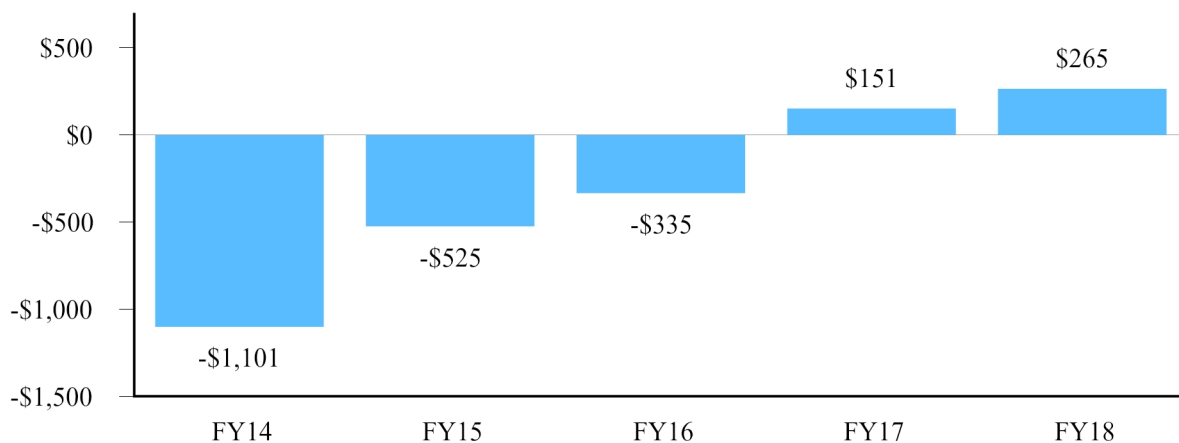
The purpose of the capital project funds is to account for the construction or acquisition of capital assets. The Governor may propose capital outlay budgets which, upon enactment by the Legislature and approval by the Governor, become capital outlay acts. Capital outlay acts financed through the sale 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 FY18 capital budget, the Commonwealth borrowed by issuing \$2.384 billion in long-term bonds, \$1.734 billion of which was general obligation debt and \$650 million was special obligation debt secured by motor fuels taxes and motor vehicle license and registration fees. In addition, the Commonwealth issued \$993 million in debt to refund already existing obligations, taking advantage of continued low interest rates in FY18. Finally, MassDOT issued approximately \$136 million in bonds to refund outstanding Metropolitan Highway System Revenue Bonds.

The following graph Capital Projects Funds - Fund Balance (Deficit) 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. However, at the end of FY18, the Capital Projects Funds had a \$265 million positive balance, as Commonwealth issued debt at the end of the fiscal year to take advantage of favorable interest rates and to reimburse itself for previous capital expenditures and those anticipated for July 2018.

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



The Capital Projects Funds - Operations table on the next page includes the FY18 Capital Projects Funds, summarized and compared to FY17. Financial statements for each of the individual funds are included in the financial section of this report.

Capital Projects Funds - Operations
(Amounts in thousands)

	2018	2017
Beginning fund balance (deficit)	\$ 150,555	\$ (334,694)
Revenues and other financing sources:		
Federal grants and reimbursements	99,001	58,354
Departmental and miscellaneous	10,537	4,081
Proceeds of general and special obligation bonds	2,727,039	3,136,222
Proceeds of refunding bonds	1,310,616	2,269,192
Transfers and other financing sources	599,840	600,302
Total revenues and other financing sources	4,747,033	6,068,151
Expenditures and other financing uses:		
Acquisition and maintenance of capital assets	3,185,685	3,187,010
Payments to advance refunding escrow agent/principal repayment	1,310,616	2,269,192
Transfers and other financing uses	136,027	126,700
Total expenditures and other financing uses	4,632,328	5,582,902
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	114,705	485,249
Ending fund balance (deficit)	\$ 265,260	\$ 150,555

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 FY18, significant capital spending included:

- \$414 million for state owned facilities including higher education campuses, trial courts, and state health care facilities;
- \$286 million in support for Rail Enhancement Projects/MBTA projects, including investment in reducing the MBTA’s State of Good Repair backlog, acquisition of new vehicles for the Red and Orange Lines, and the Green Line Extension;
- \$241 million for affordable housing development and public housing;
- \$196 million in Chapter 90 reimbursements to municipalities for local road and bridge projects;
- \$191 million for economic development initiatives, including the MassWorks infrastructure grants to municipalities and the Workforce Skills capital grants to educational institutions;
- \$158 million in bridge repair projects under the Commonwealth’s Accelerated Bridge Program;
- \$128 million in spending for the Department of Conservation and Recreation, including improvements to roadways, parks, and for environmental spending;

- \$30 million for grants from the Massachusetts Life Sciences Center to foster economic development in the life sciences sector;
- \$20 million for construction and planning grants from the Board of Library Commissioners to public library systems;
- \$10 million for aid to towns in western Massachusetts to extend high-speed broadband networks.

During FY18, the Commonwealth passed or agreed to terms for approximately \$444 million in bond authorizations. There were no deauthorizations of previously enacted bond bills in FY18.

The Non-Appropriated Funds of Higher Education

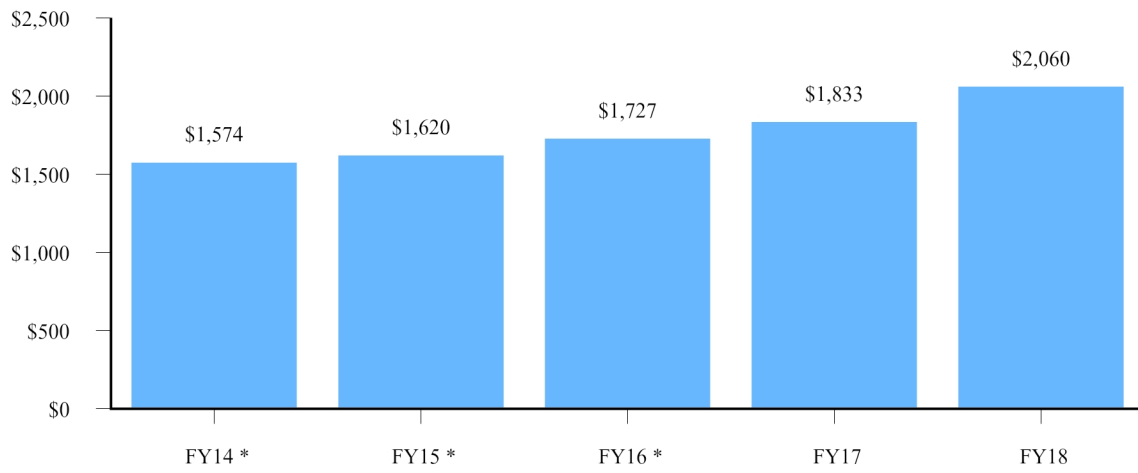
The statistical section of this SBFR includes data on the financial operations of the non-appropriated funds of the 25 institutions of higher education as reported on MMARS. Each institution of higher education is authorized and directed in its enabling statute to collect, retain and expend certain fees, 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)

	2018	2017
Beginning fund balance	\$ 1,833,417	\$ 1,726,669
Revenues and other financing sources:		
Federal grants and reimbursements.....	517,513	515,589
Departmental revenues.....	2,479,663	2,296,093
Transfers and other financing sources.....	1,932,448	1,930,299
Total revenues and other financing sources	4,929,624	4,741,981
Expenditures and other financing uses:		
Programs and services.....	4,702,780	4,635,233
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	226,844	106,748
Ending fund balance.....	<u>\$ 2,060,261</u>	<u>\$ 1,833,417</u>

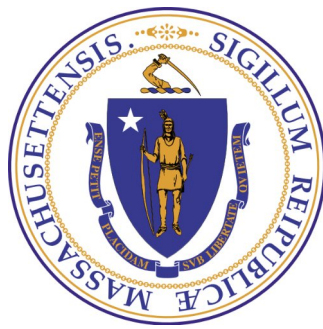
The Non-Appropriated Funds of Higher Education – Operations table above includes the FY18 activity in Higher Education funds, summarized and compared to FY17. Financial statements for each of the individual funds are included in the statistical section of this report. The following chart, Non-Appropriated Funds of Higher Education - Fund Balance, shows the combined fund balance for the past five years. The combined balance represents an approximate \$1.069 billion fund balance for the University of Massachusetts, an approximate \$586 million fund balance for the State University (formerly the State College) system and an approximate \$405 million fund balance for the Community Colleges.

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



* Fund balances were restated due to amounts previously unreported

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Karyn E. Polito

Lieutenant Governor

William F. Galvin

Secretary of State

Maura Healey

Attorney General

Deborah B. Goldberg

Treasurer and Receiver-General

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Auditor

LEGISLATIVE OFFICERS

Karen E. Spilka

President of the Senate

Robert A. DeLeo

Speaker of the House

JUDICIAL OFFICERS

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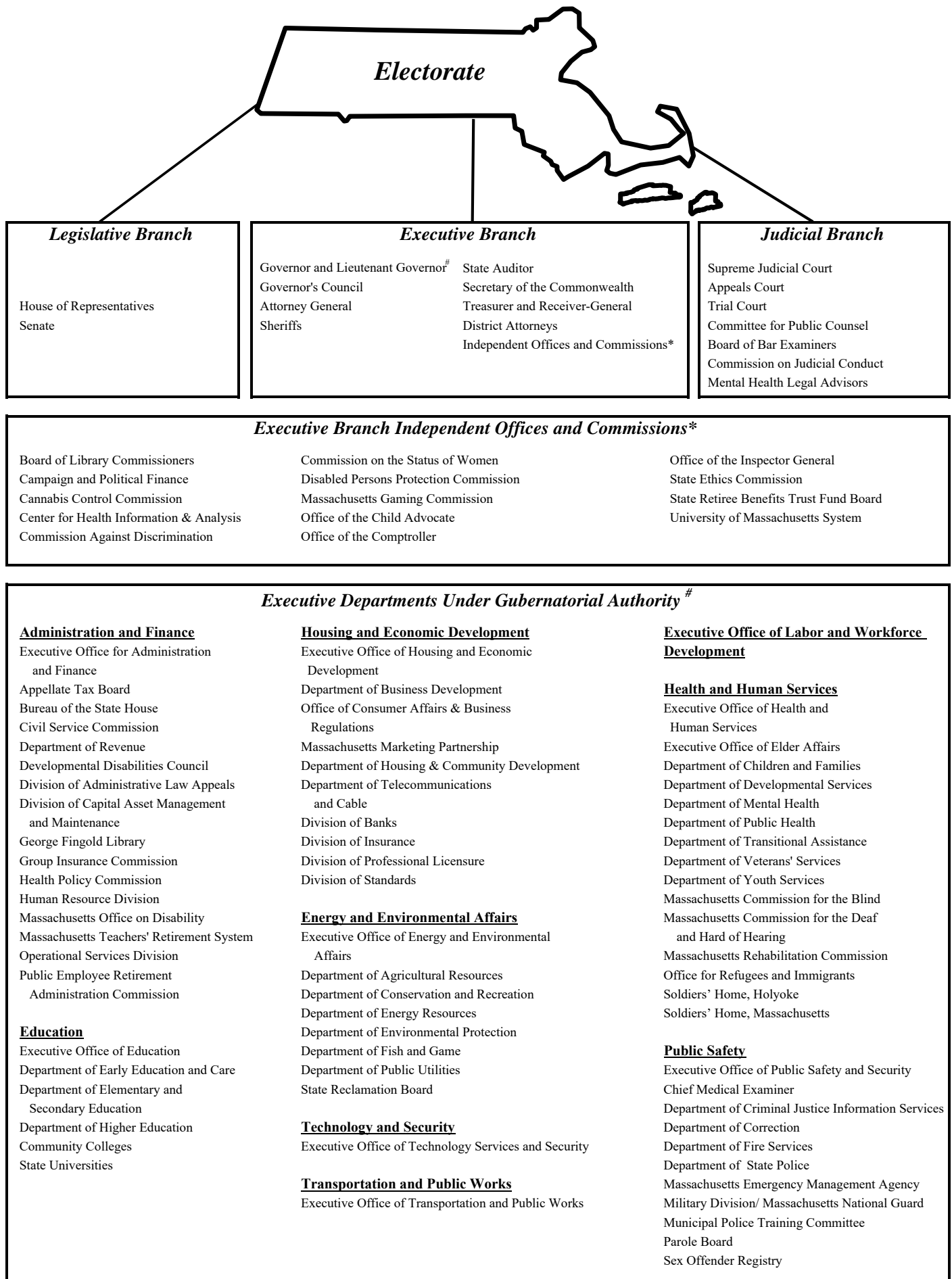
Chief Justice, Supreme Judicial Court

Mark Green

Chief Justice, Appeals Court

Jonathan Williams

Court Administrator, Trial Court



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Office of the Inspector General
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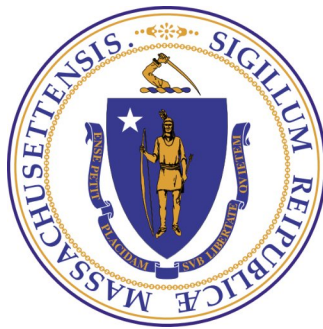
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Accountant

Wagdy Rizk
Accountant

Nana Law
Accountant

Cathy Hunter
Program Coordinator

Scott Olsen
Chief of Strategic Communications



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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, 2018, and the 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 Section 12 of Chapter 7A of the Massachusetts General Laws, as amended, and the budgetary principles of the Commonwealth of Massachusetts (hereafter referred to as the Statutory Basis of Accounting) as described in notes 1 and 2, and is not intended to be a presentation in conformity with U.S. generally accepted accounting principles. 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 basis of accounting described in notes 1 and 2.

Basis of Accounting

The accompanying combined financial statements – statutory basis were prepared on the basis of accounting that demonstrates compliance with the Statutory Basis of Accounting as described in notes 1 and 2, and is not intended to be a presentation in accordance with U.S. generally accepted accounting principles.

Other Matters

The combining and individual fund financial statements - statutory basis and supplemental information 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 responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the combined financial statements – statutory basis. Such information has been subjected to the



review procedures applied in our review of combined financial statements – statutory basis. We are not aware of any material modifications that should be made to combining and individual fund financial statements- statutory basis and supplemental information. We have not audited the combining and individual fund financial statements – statutory basis and supplemental information and accordingly, do not express an opinion on such information.

The introductory and statistical sections 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 responsibility of management. We have not audited or reviewed such information and we do not express an opinion, a conclusion, nor provide any assurance on such information.

Restriction of Use

This report is intended solely for the information and use of management and 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

Boston, Massachusetts
November 6, 2018

Combined Financial Statements - Statutory Basis

Budgeted Funds
Combined Balance Sheet - Statutory Basis

As of June 30, 2018
(Amounts in thousands)

	Totals (Memorandum only)	
	2018	2017
ASSETS		
Cash and short-term investments.....	\$ 2,496,151	\$ 1,368,250
Cash with fiscal agent.....	19,373	18,080
Investments.....	272,468	272,224
Receivables, net of allowance for uncollectibles:		
Due from federal government.....	476,376	646,986
Other receivables.....	184,466	18,501
Due from cities and towns.....	34,647	12,143
Total assets.....	<u>\$ 3,483,481</u>	<u>\$ 2,336,184</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable.....	\$ 997,490	\$ 810,363
Accrued payroll.....	99,322	78,086
Total liabilities.....	<u>1,096,812</u>	<u>888,449</u>
Fund equity:		
Combined fund balance:		
Reserved for:		
Continuing appropriations.....	352,099	99,316
Commonwealth Stabilization.....	2,001,299	1,300,678
Debt service.....	19,373	18,080
Unreserved:		
Undesignated.....	13,898	29,661
Total fund equity.....	<u>2,386,669</u>	<u>1,447,735</u>
Total liabilities fund equity.....	<u>\$ 3,483,481</u>	<u>\$ 2,336,184</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, 2018

(Amounts in thousands)

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES AND OTHER FINANCING SOURCES			
Revenues:			
Taxes.....	\$ 24,864,400	\$ 25,906,660	\$ 1,042,260
Assessments	464,509	439,686	(24,823)
Federal grants and reimbursements	11,286,123	11,376,956	90,833
Tobacco settlement revenue	257,500	243,313	(14,187)
Departmental	3,655,017	4,071,620	416,603
Miscellaneous	294,856	424,789	129,933
Total revenues	40,822,405	42,463,024	1,640,619
Other financing sources:			
Fringe benefit cost recovery	435,041	434,924	(117)
Lottery reimbursements	90,888	103,136	12,248
Lottery distributions	994,754	983,108	(11,646)
Operating transfers in	350,804	315,398	(35,406)
Stabilization transfer	85,341	736,645	651,304
Total other financing sources	1,956,828	2,573,211	616,383
Total revenues and other financing sources	42,779,233	45,036,235	2,257,002
EXPENDITURES AND OTHER FINANCING USES			
Expenditures:			
Legislature	103,532	67,850	35,682
Judiciary	929,008	919,016	9,992
Inspector General	4,371	4,370	1
Governor and Lieutenant Governor	7,602	6,574	1,028
Secretary of the Commonwealth	43,086	39,339	3,747
Treasurer and Receiver-General	219,374	215,183	4,191
Auditor of the Commonwealth	18,723	18,610	113
Attorney General	49,256	47,993	1,263
Ethics Commission	2,094	2,042	52
District Attorney	119,703	119,206	497
Office of Campaign & Political Finance	1,618	1,594	24
Sheriffs' Departments	621,940	620,318	1,622
Disabled Persons Protection Commission	3,131	3,131	—
Board of Library Commissioners	25,453	25,443	10
Comptroller	14,405	13,877	528
Administration and Finance	2,641,365	2,305,871	335,494
Energy and Environmental Affairs	244,535	230,956	13,579
Health and Human Services	6,369,091	6,035,926	333,165
Executive Office of Technology Services and Security	151,555	73,456	78,099
Massachusetts Department of Transportation	127,000	127,000	—
Office of the Child Advocate	800	706	94
Cannabis Control Commission	6,999	2,241	4,758
Executive Office of Education	2,351,178	2,289,929	61,249
Center for Health Information and Analysis	32,044	21,452	10,592
Public Safety and Security	1,226,536	1,166,779	59,757
Housing and Economic Development	553,578	533,168	20,410
Labor and Workforce Development	60,670	46,785	13,885
Direct local aid	5,890,434	5,885,520	4,914
Medicaid program expenses	15,609,522	15,744,534	(135,012)
Post employment benefits	2,826,904	2,891,491	(64,587)
Debt service:			
Principal retirement	1,340,701	1,299,705	40,996
Interest and fiscal charges	1,046,843	1,023,656	23,187
Total expenditures	42,643,051	41,783,721	859,330
Other financing uses:			
Fringe benefit cost assessment	—	4,952	(4,952)
Operating transfers out	900,976	954,099	(53,123)
State Retiree Benefits transfer	—	25,695	(25,695)
State Pension transfer	—	25,695	(25,695)
Stabilization transfer	51,500	723,195	(671,695)
Medical assistance transfer	747,100	579,944	167,156
Total other financing uses	1,699,576	2,313,580	(614,004)
Total expenditures and other financing uses	44,342,627	44,097,301	245,326
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	\$ (1,563,394)	938,934	\$ 2,502,328
Fund balance (deficit) at beginning of year		1,447,735	
Fund balance (deficit) at end of year		\$ 2,386,669	

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, 2018

(Amounts in thousands)

			Totals (Memorandum only)	
	Non-Budgeted Special Revenue	Capital Projects	2018	2017
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes.....	\$ 2,269,843	\$ —	\$ 2,269,843	\$ 2,214,074
Assessments.....	806,095	—	806,095	754,577
Federal grants and reimbursements.....	3,488,353	99,001	3,587,354	3,313,488
Departmental.....	6,731,084	7,178	6,738,262	6,371,654
Miscellaneous.....	48,909	3,359	52,268	47,527
Total revenues.....	13,344,284	109,538	13,453,822	12,701,320
Other financing sources:				
Issuance of general obligation bonds.....	—	1,734,443	1,734,443	2,408,675
Bond premiums/(discounts) on general obligation bonds.....	—	233,292	233,292	210,424
Issuance of special obligation bonds.....	—	650,000	650,000	461,975
Bond premiums/(discounts) on special obligation bonds.....	—	109,304	109,304	55,148
Issuance of current refunding bonds.....	—	602,425	602,425	188,490
Bond premiums/(discounts) on current refunding bonds.....	—	80,193	80,193	—
Issuance of advance refunding bonds.....	—	526,180	526,180	1,664,790
Bond premiums/(discounts) on advance refunding bonds.....	—	101,818	101,818	415,912
Operating transfers in.....	939,573	490,981	1,430,554	1,230,696
Medical assistance transfer.....	579,944	—	579,944	403,367
State share of federal highway construction.....	—	108,859	108,859	111,172
Delivery system transformation initiatives trust transfer.....	—	—	—	189,149
Lottery deficit support.....	—	—	—	—
Total other financing sources.....	1,519,517	4,637,495	6,157,012	7,339,798
Total revenues and other financing sources.....	14,863,801	4,747,033	19,610,834	20,041,118
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Judiciary.....	1,764	12,302	14,066	20,515
Inspector General.....	387	—	387	258
Governor and Lieutenant Governor.....	73	—	73	132
Secretary of the Commonwealth.....	5,710	1,501	7,211	6,394
Treasurer and Receiver-General.....	6,369,962	45,643	6,415,605	6,111,487
Auditor of the Commonwealth.....	—	1,299	1,299	2,936
Attorney General.....	48,675	973	49,648	25,458
Ethics Commission.....	—	6	6	87
District Attorney.....	3,108	—	3,108	3,047
Sheriffs' Departments.....	14,362	3,027	17,389	14,433
Disabled Persons Protection Commission.....	571	—	571	159
Board of Library Commissioners.....	2,791	19,936	22,727	15,289
Massachusetts Gaming Commission.....	44,238	—	44,238	36,749
Comptroller.....	2,128	—	2,128	2,159
Administration and Finance.....	423,701	439,483	863,184	1,012,326
Energy and Environmental Affairs.....	123,529	210,408	333,937	318,964
Health and Human Services.....	2,517,235	62,810	2,580,045	2,010,842
Executive Office of Technology Services and Security.....	8,754	55,627	64,381	—
Massachusetts Department of Transportation.....	1,041,745	1,811,028	2,852,773	2,989,191
Executive Office of Education.....	1,009,933	53,081	1,063,014	1,045,954
Center for Health Information and Analysis.....	5	4	9	208
Public Safety and Security.....	223,318	39,218	262,536	286,623
Housing and Economic Development.....	539,198	428,192	967,390	862,894
Labor and Workforce Development.....	146,796	1,147	147,943	170,472
Debt service:				
Principal retirement.....	87,857	—	87,857	76,797
Interest and fiscal charges.....	107,750	—	107,750	117,079
Total expenditures.....	12,723,590	3,185,685	15,909,275	15,130,453
Other financing uses:				
Payments to advance refunding bonds escrow.....	—	627,998	627,998	2,080,702
Principal on current refundings.....	—	682,618	682,618	188,490
Fringe benefit cost assessment.....	185,564	27,157	212,721	204,965
Lottery operating reimbursements.....	103,136	—	103,136	100,392
Lottery distributions.....	983,108	—	983,108	1,025,411
Operating transfers out.....	690,996	11	691,007	813,292
Commonwealth care trust transfer.....	—	—	—	76,552
State share of federal highway construction.....	—	108,859	108,859	111,172
Total other financing uses.....	1,962,804	1,446,643	3,409,447	4,600,976
Total expenditures and other financing uses.....	14,686,394	4,632,328	19,318,722	19,731,429
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses.....	177,407	114,705	292,112	309,689
Fund balance/(deficit) at beginning of year.....	1,891,339	150,555	2,041,894	1,732,205
Fund balance/(deficit) at end of year.....	\$ 2,068,746	\$ 265,260	\$ 2,334,006	\$ 2,041,894

See accompanying notes to financial statements and accountants' review report

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1. FINANCIAL STATEMENT PRESENTATION

A. INTRODUCTION

The accompanying combined financial statements (Statutory Basis Financial Report or SBFR) 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 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, i.e., those subject to the annual appropriation process. 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 eight 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 Gaming Local Aid Fund, the Local Aid Stabilization Fund and the Marijuana Regulation 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 almost entirely 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.

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. In some cases the liabilities will have been incurred prior to June 30, but recorded when paid in the following fiscal year, not as statutory payables.

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, except for balances in the Commonwealth Stabilization Fund, which are sequestered. 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 also 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, 2015, 2017 and 2018. During FY18, the Commonwealth issued approximately \$75 million in GANs for new money needs and \$68 million in refunding bonds under the Commonwealth's Accelerated Bridge Program. As of June 30, 2018, total principal remaining to be paid was approximately \$748 million. Maturities are from FY19 through FY27. Debt service paid during FY18 was approximately \$96 million.

In FY18, the Commonwealth issued approximately \$65 million in new money special obligation bonds under the Accelerated Bridge Program (ABP), \$510 million in new money special obligation bonds under the Rail Enhancement Program (REP) and \$243 million in special obligation refunding bonds. These bonds mature from FY19 to FY48 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, 2018, approximately \$1.681 billion and \$1.131 billion in principal was outstanding on the ABP and REP bonds, respectively, and approximately \$1.192 billion and \$1.019 billion 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 FY18. As of June 30, 2018, bonds secured by these pledged funds totaled approximately \$105 million of principal. These bonds mature from FY19 to FY22 and were issued in multiple series. Principal and interest paid during FY18 amounted to approximately \$23 million and \$7 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 FY18, total dedicated sales tax revenue that was directed to the MBTA was approximately \$1.008 billion. 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 FY18, approximately \$848 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, 2018, taxes within the Convention Center districts support approximately \$552 million of outstanding principal and approximately \$291 million of interest on debts related to these Convention Centers. Taxes collected in FY18 were approximately \$147 million, while debt service on the bonds was approximately \$54 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 FY18, approximately \$565 million in motor vehicle sales tax revenue was transferred to MassDOT. From the Commonwealth Transportation Fund, \$127 million was dedicated to funding the operations of the MBTA while an additional \$80 million was dedicated to funding the operations of the regional transit authorities. These amounts are transferred through the CTF.

D. INTERFUND/INTRAFUND TRANSACTIONS

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

Transfers in and out net to approximately \$13 million due to higher education non-appropriated fund activity, which is not included in the combined statements - statutory basis.

E. CURRENT EMPLOYEE BENEFITS

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

F. FRINGE BENEFIT COST RECOVERY

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

Since these fringe benefit costs and pensions are not appropriated in the budget, the required assessment creates a variance between budget and actual expenditures at year-end. The fringe benefit cost recoveries of approximately \$435 million into the General Fund results from cost assessments from the other budgeted funds, non-budgeted special revenue funds, capital projects 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.

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

The remainder of fund balance is unreserved and undesignated and consists of cumulative surplus or deficits of the fund not otherwise designated.

M. TOTAL COLUMN - MEMORANDUM ONLY

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

The financial statements include certain prior year summarized comparative information in total but not by fund. Such information does not include sufficient detail to constitute a full comparative presentation. Accordingly, such information should be read in conjunction with the Commonwealth’s financial statements for the year ended June 30, 2017, 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.

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 from 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 FY18 (amounts in thousands):

	Revenues	Expenditures
General Appropriation Act, Chapter 47 of the Acts of 2017:		
Direct appropriations	\$ 40,293,200	\$ 39,585,757
Estimated revenues, transfers, retained revenue appropriations, and appropriations carried forward from FY2017	—	1,291,699
Total original budget	40,293,200	40,877,456
Supplemental Acts of 2017:		
Chapter 110	—	297,776
Chapter 142	—	2,700
Supplemental Acts of 2018:		
Chapter 24	—	17,214
Chapter 90	—	146,025
Chapter 273	—	483,433
Total budgeted revenues and expenditures per Legislative action	—	947,148
Plus: Pension contributions and revenue authorized outside of General Appropriation Act, and other transfers of revenue and spending	2,486,034	2,518,023
Budgeted revenues and expenditures as reported	\$ 42,779,234	\$ 44,342,627

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	\$ 45,036,235	\$ 44,097,301
Adjustments to revenues and expenditures:		
Transfer of revenues to the Intragovernmental Service Fund	(437,226)	(437,226)
Adjustments to other financing sources and uses:		
Fringe benefit cost assessments	(4,952)	(4,952)
Transfer of surplus revenues from the Intragovernmental Service Fund to the General Fund	(7,416)	(7,416)
RMV license plates	(4,026)	(4,026)
Transfers from General Fund to the Commonwealth Transportation Fund	(40,000)	(40,000)
Transfers from budgeted funds to the Stabilization Fund	(723,195)	(723,195)
Other	(199)	(199)
Actual as presented on budgetary documents	\$ 43,819,221	\$ 42,880,287

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 a legally separate entity 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 is reported 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, 2018, as follows (amounts in thousands) (excludes MassDOT):

Non-Budgeted Special Revenue:	
Federal Grants Fund.....	\$ (38,763)
Other:	
Health Information Technology Trust Fund	(2,406)
Government Land Bank Fund	(35,033)
Total Non-Budgeted Special Revenue Funds	(76,202)
Capital Projects:	
Highway Capital Projects Fund	(4,450)
Total.....	\$ (80,652)

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 43.6% 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, 2018, the General Fund includes approximately \$15.745 billion in expenditures for Medicaid claims. The combined financial statements - statutory basis includes Medicaid claims processed but unpaid at June 30, 2018 of approximately \$27 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 2017. Any excess undesignated fund balance as calculated by Section 5C of Chapter 29 of the MGL, are also transferred to this fund.

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 surcharge revenues 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, to preserve and promote public safety. The fund is not subject to the requirements of Section 5C of Chapter 29 of the MGL.

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 subject to the requirements of Section 5C of Chapter 29 of the MGL.

Gaming Local Aid Fund - to account for gaming tax revenues generated by the tax on casino revenues. The fund is used to 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 subject to the requirements of Section 5C of Chapter 29 of the MGL. Even though this fund did not have FY17 activity, it is presented here for comparative purposes as there was FY16 activity.

Marijuana Regulation Fund - to account for tax, application, civil penalties and interest revenues generated by the applications for licensing and regulation of marijuana establishments. The fund is used to administer the operations of the Cannabis Control Commission and other departments to carry out marijuana regulations.

The following funds have been enacted in legislation but had no activity in FY18 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.

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.

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.

Manufacturing Fund - To account for a portion of gaming facility license fees.

Community College Fund - to account for a portion of gaming license fees.

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
As of June 30, 2018
(Amounts in thousands)

	Administrative Control			
	General	Commonwealth Transportation	Commonwealth Stabilization	Intragovernmental Service
ASSETS				
Cash and short-term investments	\$ 697,815	\$ 693	\$ 1,728,831	\$ 51,811
Cash with fiscal agent	—	19,373	—	—
Investments	—	—	272,468	—
Receivables, net of allowance for uncollectibles:				
Due from federal government	476,377	—	—	—
Other receivables	184,466	—	—	—
Due from cities and towns.....	34,647	—	—	—
Total assets.....	<u>\$ 1,393,305</u>	<u>\$ 20,066</u>	<u>\$ 2,001,299</u>	<u>\$ 51,811</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable.....	\$ 956,051	\$ 693	\$ —	\$ 40,021
Accrued payroll	96,520	—	—	2,597
Due to other funds	—	—	—	—
Total liabilities	<u>1,052,571</u>	<u>693</u>	<u>—</u>	<u>42,618</u>
Fund balance/(deficit):				
Reserved for:				
Continuing appropriations	340,734	—	—	9,193
Commonwealth Stabilization.....	—	—	2,001,299	—
Debt service	—	19,373	—	—
Unreserved:				
Undesignated	—	—	—	—
Total fund equity/(deficit).....	<u>340,734</u>	<u>19,373</u>	<u>2,001,299</u>	<u>9,193</u>
Total liabilities and fund equity	<u>\$ 1,393,305</u>	<u>\$ 20,066</u>	<u>\$ 2,001,299</u>	<u>\$ 51,811</u>

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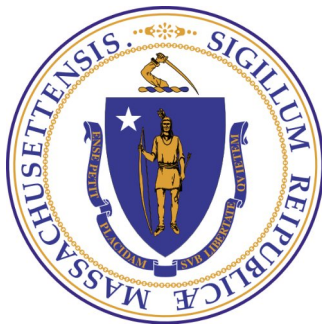
Environmental		Budgeted Other					
Inland Fisheries and Game	Marine Recreational Fisheries Development	Public Safety Training	Community First Trust	Gaming Local Aid	Local Aid Stabilization	Marijuana Regulation	
\$ 11,719	\$ 3,975	\$ 1,256	\$ —	\$ —	\$ 50	\$ —	
—	—	—	—	—	—	—	
—	—	—	—	—	—	—	
—	—	—	—	—	—	—	
—	—	—	—	—	—	—	
—	—	—	—	—	—	—	
<u>\$ 11,719</u>	<u>\$ 3,975</u>	<u>\$ 1,256</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 50</u>	<u>\$ —</u>	
\$ 610	\$ 114	\$ —	\$ —	\$ —	\$ —	\$ —	
192	13	—	—	—	—	—	
<u>802</u>	<u>127</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	
—	1,000	1,173	—	—	—	—	
—	—	—	—	—	—	—	
—	—	—	—	—	—	—	
10,917	2,848	83	—	—	50	—	
<u>10,917</u>	<u>3,848</u>	<u>1,256</u>	<u>—</u>	<u>—</u>	<u>50</u>	<u>—</u>	
<u>\$ 11,719</u>	<u>\$ 3,975</u>	<u>\$ 1,256</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 50</u>	<u>\$ —</u>	

continued

Budgeted Funds
Combining Balance Sheet - Statutory Basis
As of June 30, 2018
(Amounts in thousands)

	Totals (Memorandum only)	
	2018	2017
ASSETS		
Cash and short-term investments.....	\$ 2,496,151	\$ 1,368,250
Cash with fiscal agent.....	19,373	18,080
Investments.....	272,468	272,224
Receivables, net of allowance for uncollectibles:		
Due from federal government.....	476,376	646,986
Other receivables.....	184,466	18,501
Due from cities and towns.....	34,647	12,143
Total assets.....	<u>\$ 3,483,481</u>	<u>\$ 2,336,184</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable.....	\$ 997,490	\$ 810,363
Accrued payroll.....	99,322	78,086
Total liabilities.....	<u>1,096,812</u>	<u>888,449</u>
Fund balance/(deficit):		
Reserved for:		
Continuing appropriations.....	352,099	99,316
Commonwealth Stabilization.....	2,001,299	1,300,678
Debt service.....	19,373	18,080
Unreserved:		
Undesignated.....	13,898	29,661
Total fund equity/(deficit).....	<u>2,386,669</u>	<u>1,447,735</u>
Total liabilities and fund equity.....	<u>\$ 3,483,481</u>	<u>\$ 2,336,184</u>

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Budgeted Funds

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

Fiscal Year Ended June 30, 2018
(Amounts in thousands)

	General	Commonwealth Transportation	Commonwealth Stabilization	Administrative Control Intragovernmental Service
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes.....	\$ 24,573,613	\$ 1,331,772	\$ 272	\$ —
Assessments.....	417,483	22,204	—	—
Federal grants and reimbursements.....	11,369,508	—	—	—
Tobacco settlement revenue.....	243,313	—	—	—
Departmental.....	2,932,173	684,374	—	444,863
Miscellaneous.....	408,374	702	15,094	—
Total revenues.....	39,944,464	2,039,052	15,366	444,863
Other financing sources:				
Fringe benefit cost recovery.....	434,924	—	—	—
Lottery reimbursements.....	103,136	—	—	—
Lottery distributions.....	983,108	—	—	—
Operating transfers in.....	203,427	43,762	—	—
Stabilization transfer.....	—	—	736,645	—
Total other financing sources.....	1,724,595	43,762	736,645	—
Total revenues and other financing sources.....	41,669,059	2,082,814	752,011	444,863
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Legislature.....	67,850	—	—	—
Judiciary.....	919,016	—	—	—
Inspector General.....	4,370	—	—	—
Governor and Lieutenant Governor.....	6,574	—	—	—
Secretary of the Commonwealth.....	39,339	—	—	—
Treasurer and Receiver-General.....	209,460	5,723	—	—
Auditor of the Commonwealth.....	18,610	—	—	—
Attorney General.....	47,989	—	—	—
Ethics Commission.....	2,042	—	—	—
District Attorney.....	119,206	—	—	—
Office of Campaign & Political Finance.....	1,594	—	—	—
Sheriffs' Departments.....	620,299	—	—	—
Disabled Persons Protection Commission.....	3,131	—	—	—
Board of Library Commissioners.....	25,443	—	—	—
Comptroller.....	8,816	—	—	5,060
Administration and Finance.....	2,124,934	—	—	180,863
Energy and Environmental Affairs.....	213,839	—	—	1,355
Health and Human Services.....	5,919,367	—	—	105,389
Executive Office of Technology Services and Security.....	7,857	—	—	65,599
Massachusetts Department of Transportation.....	—	127,000	—	—
Office of the Child Advocate.....	706	—	—	—
Cannabis Control Commission.....	2,241	—	—	—
Executive Office of Education.....	2,289,267	—	—	662
Center for Health Information and Analysis.....	21,452	—	—	—
Public Safety and Homeland Security.....	1,099,956	—	—	64,775
Housing and Economic Development.....	531,539	—	—	1,629
Labor and Workforce Development.....	46,585	—	—	200
Direct local aid.....	5,821,177	—	—	—
Medicaid program expenses.....	15,744,534	—	—	—
Post employment benefits.....	2,846,432	45,059	—	—
Debt service:				
Principal retirement.....	643,448	641,016	—	15,241
Interest and fiscal charges.....	525,435	498,221	—	—
Total expenditures.....	39,932,508	1,317,019	—	440,773
Other financing uses:				
Fringe benefit cost assessment.....	—	—	—	—
Operating transfers out.....	312,007	634,676	—	7,416
State Retiree Benefits transfer.....	—	—	25,695	—
State Pension transfer.....	—	—	25,695	—
Stabilization transfer.....	589,663	129,826	—	—
Medical assistance transfer.....	579,944	—	—	—
Total other financing uses.....	1,481,614	764,502	51,390	7,416
Total expenditures and other financing uses.....	41,414,122	2,081,521	51,390	448,189
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses.....	254,937	1,293	700,621	(3,326)
Fund balance (deficit) at beginning of year.....	85,797	18,080	1,300,678	12,519
Fund balance (deficit) at end of year.....	\$ 340,734	\$ 19,373	\$ 2,001,299	\$ 9,193

See accountants' review report

Environmental		Budgeted Other				
Inland Fisheries and Game	Marine Recreational Fisheries Development	Public Safety Training	Community First Trust	Gaming Local Aid	Local Aid Stabilization	Marijuana Regulation
\$ 1,003	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—	—
7,410	—	—	—	—	—	39
—	—	—	—	—	—	—
7,401	1,787	1,022	—	—	—	—
617	—	—	—	—	—	—
16,431	1,787	1,022	—	—	—	39
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
199	—	—	—	68,011	—	—
—	—	—	—	—	—	—
199	—	—	—	68,011	—	—
16,630	1,787	1,022	—	68,011	—	39
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
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—	—	20	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
74	—	—	—	—	—	—
14,812	950	—	—	—	—	—
—	—	—	11,170	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	2,048	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	64,343	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
14,886	950	2,072	11,170	64,343	—	—
3,329	169	586	867	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	3,668	—	39
—	—	—	—	—	—	—
3,329	169	586	867	3,668	—	39
18,215	1,119	2,658	12,037	68,011	—	39
(1,585)	668	(1,636)	(12,037)	—	—	—
12,502	3,180	2,892	12,037	—	50	—
\$ 10,917	\$ 3,848	\$ 1,256	\$ —	\$ —	\$ 50	\$ —

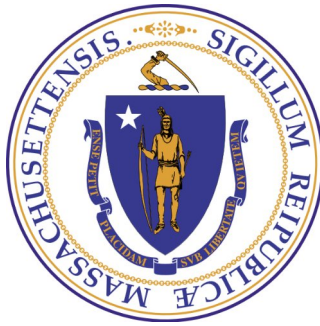
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Budgeted Funds
Combining Statements Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis

Fiscal Year Ended June 30, 2018
(Amounts in thousands)

	Totals (Memorandum only)	
	2018	2017
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Taxes.....	\$ 25,906,660	\$ 23,828,296
Assessments	439,686	454,040
Federal grants and reimbursements	11,376,956	10,857,831
Tobacco settlement revenue	243,313	254,490
Departmental	4,071,620	3,770,951
Miscellaneous.....	424,789	320,586
Total revenues.....	42,463,024	39,486,194
Other financing sources:		
Fringe benefit cost recovery	434,924	416,181
Lottery reimbursements	103,136	100,392
Lottery distributions	983,108	1,025,411
Operating transfers in	315,398	756,565
Stabilization transfer	736,645	—
Total other financing sources.....	2,573,211	2,298,549
Total revenues and other financing sources.....	45,036,235	41,784,743
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Legislature	67,850	66,754
Judiciary	919,016	908,488
Inspector General	4,370	4,207
Governor and Lieutenant Governor	6,574	6,567
Secretary of the Commonwealth	39,339	45,849
Treasurer and Receiver-General	215,183	201,093
Auditor of the Commonwealth	18,610	18,227
Attorney General	47,993	46,283
Ethics Commission	2,042	1,883
District Attorney	119,206	119,790
Office of Campaign & Political Finance	1,594	1,521
Sheriffs' Departments	620,318	610,062
Disabled Persons Protection Commission	3,131	3,043
Board of Library Commissioners	25,443	25,157
Comptroller	13,877	14,064
Administration and Finance	2,305,871	2,375,592
Energy and Environmental Affairs	230,956	223,582
Health and Human Services	6,035,926	5,700,404
Executive Office of Technology Services and Security	73,456	—
Massachusetts Department of Transportation	127,000	140,250
Office of the Child Advocate	706	633
Cannabis Control Commission	2,241	—
Executive Office of Education	2,289,929	2,234,045
Center for Health Information and Analysis	21,452	23,031
Public Safety and Homeland Security	1,166,779	1,119,256
Housing and Economic Development	533,168	495,960
Labor and Workforce Development	46,785	44,267
Direct local aid	5,885,520	5,703,027
Medicaid program expenses	15,744,534	15,251,717
Post employment benefits	2,891,491	2,659,709
Debt service:		
Principal retirement	1,299,705	1,300,497
Interest and fiscal charges	1,023,656	984,180
Total expenditures	41,783,721	40,329,138
Other financing uses:		
Fringe benefit cost assessment	4,952	4,440
Operating transfers out	954,099	1,082,056
State Retiree Benefits transfer	25,695	—
State Pension transfer	25,695	—
Stabilization transfer	723,195	—
Medical assistance transfer	579,944	403,367
Total other financing uses	2,313,580	1,489,863
Total expenditures and other financing uses	44,097,301	41,819,001
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	938,934	(34,258)
Fund balance/(deficit) at beginning of year	1,447,735	1,481,993
Fund balance/(deficit) at end of year	\$ 2,386,669	\$ 1,447,735

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, 2018

(Amounts in thousands)

	General			Commonwealth Transportation		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES AND OTHER FINANCING SOURCES						
Revenues:						
Taxes.....	\$ 23,561,400	\$ 24,573,613	\$ 1,012,213	\$ 1,302,000	\$ 1,331,772	\$ 29,772
Assessments	440,561	417,483	(23,078)	23,947	22,204	(1,743)
Federal grants and reimbursements.....	11,279,923	11,369,508	89,585	—	—	—
Tobacco settlement revenue	257,500	243,313	(14,187)	—	—	—
Departmental	2,968,795	2,932,173	(36,622)	675,756	684,374	8,618
Miscellaneous	281,785	408,374	126,589	—	702	702
Total revenues.....	38,789,964	39,944,464	1,154,500	2,001,703	2,039,052	37,349
Other financing sources:						
Fringe benefit cost recovery	435,041	434,924	(117)	—	—	—
Lottery reimbursements.....	90,888	103,136	12,248	—	—	—
Lottery distributions	994,754	983,108	(11,646)	—	—	—
Operating transfers in	246,222	203,427	(42,795)	40,000	43,762	3,762
Stabilization transfer	—	—	—	—	—	—
Total other financing sources	1,766,905	1,724,595	(42,310)	40,000	43,762	3,762
Total revenues and other financing sources	40,556,869	41,669,059	1,112,190	2,041,703	2,082,814	41,111
EXPENDITURES AND OTHER FINANCING USES						
Expenditures:						
Legislature	103,532	67,850	35,682	—	—	—
Judiciary	929,008	919,016	9,992	—	—	—
Inspector General	4,371	4,370	1	—	—	—
Governor and Lieutenant Governor	7,602	6,574	1,028	—	—	—
Secretary of the Commonwealth	42,970	39,339	3,631	—	—	—
Treasurer and Receiver-General.....	219,374	209,460	9,914	—	5,723	(5,723)
Auditor of the Commonwealth.....	18,723	18,610	113	—	—	—
Attorney General	49,247	47,989	1,258	—	—	—
Ethics Commission.....	2,094	2,042	52	—	—	—
District Attorney.....	119,703	119,206	497	—	—	—
Office of Campaign & Political Finance.....	1,618	1,594	24	—	—	—
Sheriffs' Departments.....	621,920	620,299	1,621	—	—	—
Disabled Persons Protection Commission.....	3,131	3,131	—	—	—	—
Board of Library Commissioners	25,453	25,443	10	—	—	—
Comptroller	8,815	8,816	(1)	—	—	—
Administration and Finance	2,438,506	2,124,934	313,572	—	—	—
Energy and Environmental Affairs.....	222,164	213,839	8,325	—	—	—
Health and Human Services	6,232,603	5,919,367	313,236	—	—	—
Executive Office of Technology Services and Security	17,104	7,857	9,247	—	—	—
Massachusetts Department of Transportation	—	—	—	127,000	127,000	—
Office of the Child Advocate.....	800	706	94	—	—	—
Cannabis Control Commission.....	6,999	2,241	4,758	—	—	—
Executive Office of Education	2,349,251	2,289,267	59,984	—	—	—
Center for Health Information and Analysis	32,043	21,452	10,591	—	—	—
Public Safety and Security	1,155,526	1,099,956	55,570	—	—	—
Housing and Economic Development.....	546,026	531,539	14,487	—	—	—
Labor and Workforce Development	60,670	46,585	14,085	—	—	—
Direct local aid	5,826,090	5,821,177	4,913	—	—	—
Medicaid program expenses.....	15,609,522	15,744,534	(135,012)	—	—	—
Post employment benefits	2,826,904	2,846,432	(19,528)	—	45,059	(45,059)
Debt service:						
Principal retirement	655,652	643,448	12,204	668,753	641,016	27,737
Interest and fiscal charges	535,401	525,435	9,966	511,442	498,221	13,221
Total expenditures	40,672,822	39,932,508	740,314	1,307,195	1,317,019	(9,824)
Other financing uses:						
Fringe benefit cost assessment	—	—	—	—	—	—
Operating transfers out	270,326	312,007	(41,681)	630,650	634,676	(4,026)
State Retiree Benefits transfer.....	—	—	—	—	—	—
State Pension transfer	—	—	—	—	—	—
Stabilization transfer	51,500	589,663	(538,163)	—	129,826	(129,826)
Medical assistance transfer.....	747,100	579,944	167,156	—	—	—
Total other financing uses.....	1,068,926	1,481,614	(412,688)	630,650	764,502	(133,852)
Total expenditures and other financing uses	41,741,748	41,414,122	327,626	1,937,845	2,081,521	(143,676)
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	\$ (1,184,879)	254,937	\$ 1,439,816	\$ 103,858	1,293	\$ (102,565)
Fund balance (deficit) at beginning of year.....		85,797			18,080	
Fund balance (deficit) at end of year.....		\$ 340,734			\$ 19,373	

See accountants' review report

Commonwealth Stabilization			Administrative Control			Environmental		
			Intragovernmental Services			Inland Fisheries and Game		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ —	\$ 272	\$ 272	\$ —	\$ —	\$ —	\$ 1,000	\$ 1,003	\$ 3
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	6,200	7,410	1,210
—	—	—	—	—	—	—	—	—
—	—	—	—	444,863	444,863	7,031	7,401	370
13,036	15,094	2,058	—	—	—	34	617	583
13,036	15,366	2,330	—	444,863	444,863	14,265	16,431	2,166
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	182	199	17
85,341	736,645	651,304	—	—	—	—	—	—
85,341	736,645	651,304	—	—	—	182	199	17
98,377	752,011	653,634	—	444,863	444,863	14,447	16,630	2,183
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	116	—	116	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
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—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	5,590	5,060	530	—	—	—
—	—	—	202,774	180,863	21,911	85	74	11
—	—	—	3,150	1,355	1,795	16,915	14,812	2,103
—	—	—	124,822	105,389	19,433	—	—	—
—	—	—	134,451	65,599	68,852	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	1,927	662	1,265	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	68,915	64,775	4,140	—	—	—
—	—	—	7,552	1,629	5,923	—	—	—
—	—	—	—	200	(200)	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	16,296	15,241	1,055	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	565,593	440,773	124,820	17,005	14,886	2,119
—	—	—	—	—	—	—	3,329	(3,329)
—	—	—	—	7,416	(7,416)	—	—	—
—	25,695	(25,695)	—	—	—	—	—	—
—	25,695	(25,695)	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	51,390	(51,390)	—	7,416	(7,416)	—	3,329	(3,329)
—	51,390	(51,390)	565,593	448,189	117,404	17,005	18,215	(1,210)
\$ 98,377	700,621	\$ 602,244	\$ (565,593)	(3,326)	\$ 562,267	\$ (2,558)	(1,585)	\$ 973
—	1,300,678	—	—	12,519	—	—	12,502	—
—	\$ 2,001,299	—	—	\$ 9,193	—	—	\$ 10,917	—

continued

Budgeted Funds

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

Fiscal Year Ended June 30, 2018

(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	1,535	1,787	252	1,900	1,022	(878)
Miscellaneous	—	—	—	—	—	—
Total revenues.....	<u>1,535</u>	<u>1,787</u>	<u>252</u>	<u>1,900</u>	<u>1,022</u>	<u>(878)</u>
Other financing sources:						
Fringe benefit cost recovery	—	—	—	—	—	—
Lottery reimbursements.....	—	—	—	—	—	—
Lottery distributions	—	—	—	—	—	—
Operating transfers in	—	—	—	—	—	—
Stabilization transfer	—	—	—	—	—	—
Total other financing sources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total revenues and other financing sources	<u>1,535</u>	<u>1,787</u>	<u>252</u>	<u>1,900</u>	<u>1,022</u>	<u>(878)</u>
EXPENDITURES AND OTHER FINANCING USES						
Expenditures:						
Legislature	—	—	—	—	—	—
Judiciary	—	—	—	—	—	—
Inspector General	—	—	—	—	—	—
Governor and Lieutenant Governor	—	—	—	—	—	—
Secretary of the Commonwealth	—	—	—	—	—	—
Treasurer and Receiver-General.....	—	—	—	—	—	—
Auditor of the Commonwealth.....	—	—	—	—	—	—
Attorney General	—	—	—	4	4	—
Ethics Commission.....	—	—	—	—	—	—
District Attorney	—	—	—	—	—	—
Office of Campaign & Political Finance.....	—	—	—	—	—	—
Sheriffs' Departments.....	—	—	—	20	20	—
Disabled Persons Protection Commission.....	—	—	—	—	—	—
Board of Library Commissioners	—	—	—	—	—	—
Comptroller	—	—	—	—	—	—
Administration and Finance	—	—	—	—	—	—
Energy and Environmental Affairs.....	2,306	950	1,356	—	—	—
Health and Human Services	—	—	—	—	—	—
Executive Office of Technology Services and Security	—	—	—	—	—	—
Massachusetts Department of Transportation	—	—	—	—	—	—
Office of the Child Advocate.....	—	—	—	—	—	—
Cannabis Control Commission.....	—	—	—	—	—	—
Executive Office of Education	—	—	—	—	—	—
Center for Health Information and Analysis	—	—	—	—	—	—
Public Safety and Security	—	—	—	2,096	2,048	48
Housing and Economic Development.....	—	—	—	—	—	—
Labor and Workforce Development	—	—	—	—	—	—
Direct local aid	—	—	—	—	—	—
Medicaid program expenses.....	—	—	—	—	—	—
Post employment benefits	—	—	—	—	—	—
Debt service:						
Principal retirement	—	—	—	—	—	—
Interest and fiscal charges	—	—	—	—	—	—
Total expenditures	<u>2,306</u>	<u>950</u>	<u>1,356</u>	<u>2,120</u>	<u>2,072</u>	<u>48</u>
Other financing uses:						
Fringe benefit cost assessment	—	169	(169)	—	586	(586)
Operating transfers out	—	—	—	—	—	—
State Retiree Benefits transfer.....	—	—	—	—	—	—
State Pension transfer	—	—	—	—	—	—
Stabilization transfer	—	—	—	—	—	—
Medical assistance transfer.....	—	—	—	—	—	—
Total other financing uses.....	<u>—</u>	<u>169</u>	<u>(169)</u>	<u>—</u>	<u>586</u>	<u>(586)</u>
Total expenditures and other financing uses	<u>2,306</u>	<u>1,119</u>	<u>1,187</u>	<u>2,120</u>	<u>2,658</u>	<u>(538)</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	<u>\$ (771)</u>	<u>668</u>	<u>\$ 1,439</u>	<u>\$ (220)</u>	<u>(1,636)</u>	<u>\$ (1,416)</u>
Fund balance (deficit) at beginning of year.....		<u>3,180</u>			<u>2,892</u>	
Fund balance (deficit) at end of year.....		<u>\$ 3,848</u>			<u>\$ 1,256</u>	

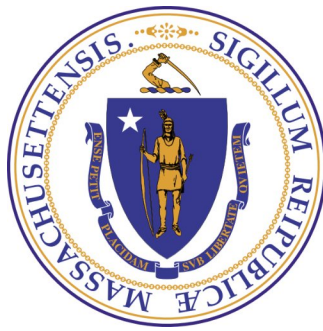
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continued

Budgeted Funds
Combining Statements Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis - Budget And Actual
Fiscal Year Ended June 30, 2018
(Amounts in thousands)

	Budgeted Other			Totals		
	Marijuana Regulation			(Memorandum only)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES AND OTHER FINANCING SOURCES						
Revenues:						
Taxes.....	\$ —	\$ —	\$ —	\$ 24,864,400	\$ 25,906,660	\$ 1,042,260
Assessments	—	—	—	464,509	439,686	(24,823)
Federal grants and reimbursements.....	—	39	39	11,286,123	11,376,956	90,833
Tobacco settlement revenue	—	—	—	257,500	243,313	(14,187)
Departmental	—	—	—	3,655,017	4,071,620	416,603
Miscellaneous	—	—	—	294,856	424,789	129,933
Total revenues.....	—	39	39	40,822,405	42,463,024	1,640,619
Other financing sources:						
Fringe benefit cost recovery	—	—	—	435,041	434,924	(117)
Lottery reimbursements.....	—	—	—	90,888	103,136	12,248
Lottery distributions	—	—	—	994,754	983,108	(11,646)
Operating transfers in	—	—	—	350,804	315,398	(35,406)
Stabilization transfer	—	—	—	85,341	736,645	651,304
Total other financing sources	—	—	—	1,956,828	2,573,211	616,383
Total revenues and other financing sources	—	39	39	42,779,233	45,036,235	2,257,002
EXPENDITURES AND OTHER FINANCING USES						
Expenditures:						
Legislature	—	—	—	103,532	67,850	35,682
Judiciary	—	—	—	929,008	919,016	9,992
Inspector General	—	—	—	4,371	4,370	1
Governor and Lieutenant Governor	—	—	—	7,602	6,574	1,028
Secretary of the Commonwealth	—	—	—	43,086	39,339	3,747
Treasurer and Receiver-General.....	—	—	—	219,374	215,183	4,191
Auditor of the Commonwealth.....	—	—	—	18,723	18,610	113
Attorney General	—	—	—	49,256	47,993	1,263
Ethics Commission.....	—	—	—	2,094	2,042	52
District Attorney	—	—	—	119,703	119,206	497
Office of Campaign & Political Finance.....	—	—	—	1,618	1,594	24
Sheriffs' Departments.....	—	—	—	621,940	620,318	1,622
Disabled Persons Protection Commission.....	—	—	—	3,131	3,131	—
Board of Library Commissioners	—	—	—	25,453	25,443	10
Comptroller	—	—	—	14,405	13,877	528
Administration and Finance	—	—	—	2,641,365	2,305,871	335,494
Energy and Environmental Affairs.....	—	—	—	244,535	230,956	13,579
Health and Human Services	—	—	—	6,369,091	6,035,926	333,165
Executive Office of Technology Services and Security	—	—	—	151,555	73,456	78,099
Massachusetts Department of Transportation	—	—	—	127,000	127,000	—
Office of the Child Advocate.....	—	—	—	800	706	94
Cannabis Control Commission.....	—	—	—	6,999	2,241	4,758
Executive Office of Education	—	—	—	2,351,178	2,289,929	61,249
Center for Health Information and Analysis	—	—	—	32,044	21,452	10,592
Public Safety and Security	—	—	—	1,226,536	1,166,779	59,757
Housing and Economic Development.....	—	—	—	553,578	533,168	20,410
Labor and Workforce Development	—	—	—	60,670	46,785	13,885
Direct local aid	—	—	—	5,890,434	5,885,520	4,914
Medicaid program expenses.....	—	—	—	15,609,522	15,744,534	(135,012)
Post employment benefits	—	—	—	2,826,904	2,891,491	(64,587)
Debt service:						
Principal retirement	—	—	—	1,340,701	1,299,705	40,996
Interest and fiscal charges	—	—	—	1,046,843	1,023,656	23,187
Total expenditures	—	—	—	42,643,051	41,783,721	859,330
Other financing uses:						
Fringe benefit cost assessment	—	—	—	—	4,952	(4,952)
Operating transfers out	—	—	—	900,976	954,099	(53,123)
State Retiree Benefits transfer.....	—	—	—	—	25,695	(25,695)
State Pension transfer	—	—	—	—	25,695	(25,695)
Stabilization transfer	—	39	(39)	51,500	723,195	(671,695)
Medical assistance transfer.....	—	—	—	747,100	579,944	167,156
Total other financing uses.....	—	39	(39)	1,699,576	2,313,580	(614,004)
Total expenditures and other financing uses	—	39	(39)	44,342,627	44,097,301	245,326
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses	\$ —	—	\$ —	\$ (1,563,394)	938,934	\$ 2,502,328
Fund balance (deficit) at beginning of year.....	—	—	—	—	1,447,735	—
Fund balance (deficit) at end of year	—	—	—	—	\$ 2,386,669	—

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General Fund
Balance Sheet - Statutory Basis

As of June 30, 2018
(Amounts in thousands)

	2018	2017
ASSETS		
Cash and short-term investments.....	\$ 697,815	\$ 256,679
Receivables, net of allowance for uncollectibles:		
Due from federal government.....	476,377	646,986
Other receivables	184,466	18,501
Due from cities and towns.....	34,647	12,143
Total assets.....	<u>\$ 1,393,305</u>	<u>\$ 934,309</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 956,051	\$ 772,220
Accrued payroll	96,520	76,292
Total liabilities	<u>1,052,571</u>	<u>848,512</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	340,734	85,797
Total fund balance.....	<u>340,734</u>	<u>85,797</u>
Total liabilities and fund balance	<u>\$ 1,393,305</u>	<u>\$ 934,309</u>

See accountants' review report

General Fund

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

Fiscal Year Ended June 30, 2018

(Amounts in thousands)

	2018 Budget	2018 Actual	Variance Favorable (Unfavorable)	2017 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes.....	\$ 23,561,400	\$ 24,573,613	\$ 1,012,213	\$ 22,510,107
Assessments	440,561	417,483	(23,078)	431,576
Federal grants and reimbursements	11,279,923	11,369,508	89,585	10,850,378
Tobacco settlement revenue	257,500	243,313	(14,187)	254,490
Departmental	2,968,795	2,932,173	(36,622)	2,658,200
Miscellaneous	281,785	408,374	126,589	311,305
Total revenues.....	38,789,964	39,944,464	1,154,500	37,016,056
Other financing sources:				
Fringe benefit cost recovery	435,041	434,924	(117)	416,180
Lottery reimbursements.....	90,888	103,136	12,248	100,392
Lottery distributions	994,754	983,108	(11,646)	1,025,411
Operating transfers in	246,222	203,427	(42,795)	652,403
Total other financing sources.....	1,766,905	1,724,595	(42,310)	2,194,386
Total revenues and other financing sources...	40,556,869	41,669,059	1,112,190	39,210,442
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Legislature	103,532	67,850	35,682	66,754
Judiciary	929,008	919,016	9,992	908,488
Inspector General	4,371	4,370	1	4,207
Governor and Lieutenant Governor	7,602	6,574	1,028	6,567
Secretary of the Commonwealth	42,970	39,339	3,631	45,849
Treasurer and Receiver-General.....	219,374	209,460	9,914	201,093
Auditor of the Commonwealth.....	18,723	18,610	113	18,227
Attorney General	49,247	47,989	1,258	46,282
Ethics Commission.....	2,094	2,042	52	1,883
District Attorney.....	119,703	119,206	497	119,790
Office of Campaign and Political Finance	1,618	1,594	24	1,521
Sheriffs' Department	621,920	620,299	1,621	610,052
Disabled Persons Protection Commission.....	3,131	3,131	—	3,043
Board of Library Commissioners.....	25,453	25,443	10	25,157
Comptroller	8,815	8,816	(1)	8,830

continued

General Fund

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

Fiscal Year Ended June 30, 2018

(Amounts in thousands)

	2018 Budget	2018 Actual	Variance Favorable (Unfavorable)	2017 Actual
Expenditures (continued):				
Administration and Finance	2,438,506	2,124,934	313,572	2,131,774
Energy and Environmental Affairs	222,164	213,839	8,325	206,253
Health and Human Services	6,232,603	5,919,367	313,236	5,569,829
Executive Office of Technology Services and Security	17,104	7,857	9,247	—
Office of the Child Advocate.....	800	706	94	633
Cannabis Control Commission.....	6,999	2,241	4,758	—
Executive Office of Education	2,349,251	2,289,267	59,984	2,233,278
Center for Health Information and Analysis	32,043	21,452	10,591	23,031
Public Safety and Security	1,155,526	1,099,956	55,570	1,058,933
Housing and Economic Development.....	546,026	531,539	14,487	494,179
Labor and Workforce Development.....	60,670	46,585	14,085	44,267
Direct local aid	5,826,090	5,821,177	4,913	5,639,056
Medicaid.....	15,609,522	15,744,534	(135,012)	15,251,717
Post employment benefits	2,826,904	2,846,432	(19,528)	2,643,761
Debt service:				
Principal retirement.....	655,652	643,448	12,204	693,349
Interest and fiscal charges	535,401	525,435	9,966	484,588
Total expenditures.....	40,672,822	39,932,508	740,314	38,542,391
Other financing uses:				
Operating transfers out	270,326	312,007	(41,681)	282,763
Stabilization transfer	51,500	589,663	(538,163)	—
Medical assistance transfer.....	747,100	579,944	167,156	403,367
Total other financing uses	1,068,926	1,481,614	(412,688)	686,130
Total expenditures and other financing uses	41,741,748	41,414,122	327,626	39,228,521
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	<u>\$ (1,184,879)</u>	254,937	<u>\$ 1,439,816</u>	(18,079)
Fund balance/(deficit) at beginning of year		85,797		103,876
Fund balance/(deficit) at end of year.....		<u>\$ 340,734</u>		<u>\$ 85,797</u>

See accountants' review report



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Commonwealth Transportation Fund

Balance Sheet - Statutory Basis

As of June 30, 2018

(Amounts in thousands)

	2018	2017
ASSETS		
Cash and short-term investments.....	\$ 693	\$ 482
Cash with fiscal agent.....	19,373	18,080
Total assets.....	<u>\$ 20,066</u>	<u>\$ 18,562</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 693	\$ 482
Total liabilities	<u>693</u>	<u>482</u>
Fund balance:		
Reserved fund balance:		
Reserved for debt service.....	19,373	18,080
Total fund balance.....	<u>19,373</u>	<u>18,080</u>
Total liabilities and fund balance.....	<u>\$ 20,066</u>	<u>\$ 18,562</u>

See accountants' review report

Commonwealth Transportation Fund

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

Fiscal Year Ended June 30, 2018

(Amounts in thousands)

	2018 Budget	2018 Actual	Variance Favorable (Unfavorable)	2017 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes	\$ 1,302,000	\$ 1,331,772	\$ 29,772	\$ 1,316,807
Assessments	23,947	22,204	(1,743)	22,464
Departmental	675,756	684,374	8,618	666,638
Miscellaneous	—	702	702	240
Total revenues	2,001,703	2,039,052	37,349	2,006,149
Other financing sources:				
Operating transfers in	40,000	43,762	3,762	40,000
Total other financing sources	40,000	43,762	3,762	40,000
Total revenues and other financing sources.....	2,041,703	2,082,814	41,111	2,046,149
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Treasurer and Receiver-General	—	5,723	(5,723)	—
Massachusetts Department of Transportation	127,000	127,000	—	140,250
Post employment benefits	—	45,059	(45,059)	15,948
Debt service:				
Principal retirement	668,753	641,016	27,737	595,516
Interest and fiscal charges	511,442	498,221	13,221	499,592
Total expenditures	1,307,195	1,317,019	(9,824)	1,251,306
Other financing uses:				
Operating transfers out	630,650	634,676	(4,026)	793,453
Stabilization transfer	—	129,826	(129,826)	—
Total other financing uses	630,650	764,502	(133,852)	793,453
Total expenditures and other financing uses	1,937,845	2,081,521	(143,676)	2,044,759
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	\$ 103,858	1,293	\$ (102,565)	1,390
Fund balance/(deficit) at beginning of year.....		18,080		16,690
Fund balance/(deficit) at end of year.....		\$ 19,373		\$ 18,080

See accountants' review report

Commonwealth Stabilization Fund

Balance Sheet - Statutory Basis

As of June 30, 2018

(Amounts in thousands)

	2018	2017
ASSETS		
Cash and short-term investments.....	\$ 1,728,831	\$ 1,028,454
Investments.....	272,468	272,224
Total assets.....	<u>\$ 2,001,299</u>	<u>\$ 1,300,678</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable.....	\$ —	\$ —
Total liabilities	<u>—</u>	<u>—</u>
Fund balance:		
Reserved fund balance:		
Reserved for Commonwealth Stabilization	2,001,299	1,300,678
Total fund balance.....	<u>2,001,299</u>	<u>1,300,678</u>
Total liabilities and fund balance	<u>\$ 2,001,299</u>	<u>\$ 1,300,678</u>

See accountants' review report

Commonwealth Stabilization Fund

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

Fiscal Year Ended June 30, 2018

(Amounts in thousands)

	2018 Budget	2018 Actual	Variance Favorable (Unfavorable)	2017 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes	\$ —	\$ 272	\$ 272	\$ 377
Miscellaneous	13,036	15,094	2,058	8,787
Total revenues	13,036	15,366	2,330	9,164
Other financing sources:				
Stabilization transfer	85,341	736,645	651,304	—
Total other financing sources	85,341	736,645	651,304	—
Total revenues and other financing sources.....	98,377	752,011	653,634	9,164
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Administration and Finance	—	—	—	—
Total expenditures	—	—	—	—
Other financing uses:				
State Retiree Benefits transfer	—	25,695	(25,695)	—
State Pension transfer	—	25,695	(25,695)	—
Total other financing uses	—	51,390	(51,390)	—
Total expenditures and other financing uses	—	51,390	(51,390)	—
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	\$ 98,377	700,621	\$ 602,244	9,164
Fund balance/(deficit) at beginning of year.....		1,300,678		1,291,514
Fund balance/(deficit) at end of year		\$ 2,001,299		\$ 1,300,678

See accountants' review report

Intragovernmental Service Fund

Balance Sheet - Statutory Basis

As of June 30, 2018

(Amounts in thousands)

	2018	2017
ASSETS		
Cash and short-term investments.....	\$ 51,811	\$ 51,090
Total assets.....	<u>\$ 51,811</u>	<u>\$ 51,090</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable.....	\$ 40,021	\$ 36,978
Accrued payroll	2,597	1,593
Total liabilities	<u>42,618</u>	<u>38,571</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	9,193	12,519
Total fund balance.....	<u>9,193</u>	<u>12,519</u>
Total liabilities and fund balance	<u>\$ 51,811</u>	<u>\$ 51,090</u>

See accountants' review report

Intragovernmental Service Fund
Statement of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis
Fiscal Year Ended June 30, 2018
(Amounts in thousands)

	2018 Budget	2018 Actual	Variance Favorable (Unfavorable)	2017 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental	\$ —	\$ 444,863	\$ 444,863	\$ 436,146
Total revenues	—	444,863	444,863	436,146
Other financing sources:				
Operating transfers in	—	—	—	—
Total other financing sources	—	—	—	—
Total revenues and other financing sources.....	—	444,863	444,863	436,146
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Secretary of the Commonwealth	116	—	116	—
Comptroller	5,590	5,060	530	5,234
Administration and Finance	202,774	180,863	21,911	243,692
Energy and Environmental Affairs	3,150	1,355	1,795	1,521
Health and Human Services	124,822	105,389	19,433	98,959
Executive Office of Technology Services and Security	134,451	65,599	68,852	—
Executive Office of Education	1,927	662	1,265	767
Public Safety and Security	68,915	64,775	4,140	59,653
Housing and Economic Development	7,552	1,629	5,923	1,781
Labor and Workforce Development	—	200	(200)	—
Debt service:				
Principal retirement	16,296	15,241	1,055	11,632
Total expenditures	565,593	440,773	124,820	423,239
Other financing uses:				
Operating transfers out	—	7,416	(7,416)	5,840
Total other financing uses	—	7,416	(7,416)	5,840
Total expenditures and other financing uses	565,593	448,189	117,404	429,079
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	\$ (565,593)	(3,326)	\$ 562,267	7,067
Fund balance/(deficit) at beginning of year.....		12,519		5,452
Fund balance/(deficit) at end of year.....		\$ 9,193		\$ 12,519

See accountants' review report

Inland Fisheries And Game Fund

Balance Sheet - Statutory Basis

As of June 30, 2018

(Amounts in thousands)

	2018	2017
ASSETS		
Cash and short-term investments.....	\$ 11,719	\$ 13,265
Total assets.....	<u>\$ 11,719</u>	<u>\$ 13,265</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable.....	\$ 610	\$ 573
Accrued payroll	192	190
Total liabilities	<u>802</u>	<u>763</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	10,917	12,502
Total fund balance.....	<u>10,917</u>	<u>12,502</u>
Total liabilities and fund balance	<u>\$ 11,719</u>	<u>\$ 13,265</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, 2018

(Amounts in thousands)

	2018 Budget	2018 Actual	Variance Favorable (Unfavorable)	2017 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes	\$ 1,000	\$ 1,003	\$ 3	\$ 1,007
Federal grants and reimbursements	6,200	7,410	1,210	7,452
Departmental	7,031	7,401	370	7,158
Miscellaneous	34	617	583	254
Total revenues	<u>14,265</u>	<u>16,431</u>	<u>2,166</u>	<u>15,871</u>
Other financing sources:				
Operating transfers in	182	199	17	191
Total other financing sources	<u>182</u>	<u>199</u>	<u>17</u>	<u>191</u>
Total revenues and other financing sources.....	<u>14,447</u>	<u>16,630</u>	<u>2,183</u>	<u>16,062</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Attorney General	5	—	5	—
Administration and Finance	85	74	11	126
Energy and Environmental Affairs	16,915	14,812	2,103	14,808
Total expenditures	<u>17,005</u>	<u>14,886</u>	<u>2,119</u>	<u>14,934</u>
Other financing uses				
Fringe benefit cost assessment	—	3,329	(3,329)	3,225
Total other financing uses	<u>—</u>	<u>3,329</u>	<u>(3,329)</u>	<u>3,225</u>
Total expenditures and other financing uses	<u>17,005</u>	<u>18,215</u>	<u>(1,210)</u>	<u>18,159</u>
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	<u>\$ (2,558)</u>	<u>(1,585)</u>	<u>\$ 973</u>	<u>(2,097)</u>
Fund balance/(deficit) at beginning of year.....		<u>12,502</u>		<u>14,599</u>
Fund balance/(deficit) at end of year.....		<u>\$ 10,917</u>		<u>\$ 12,502</u>

See accountants' review report

Marine Recreational Fisheries Development Fund

Balance Sheet - Statutory Basis

As of June 30, 2018

(Amounts in thousands)

	2018	2017
ASSETS		
Cash and short-term investments.....	\$ 3,975	\$ 3,302
Total assets.....	<u>\$ 3,975</u>	<u>\$ 3,302</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable.....	\$ 114	\$ 111
Accrued payroll	13	11
Total liabilities	<u>127</u>	<u>122</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	1,000	1,000
Unreserved fund balance:		
Undesignated.....	<u>2,848</u>	<u>2,180</u>
Total fund balance.....	<u>3,848</u>	<u>3,180</u>
Total liabilities and fund balance	<u>\$ 3,975</u>	<u>\$ 3,302</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, 2018

(Amounts in thousands)

	2018 Budget	2018 Actual	Variance Favorable (Unfavorable)	2017 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental	\$ 1,535	\$ 1,787	\$ 252	\$ 1,637
Total revenues	1,535	1,787	252	1,637
Other financing sources:				
Operating transfers in	—	—	—	—
Total other financing sources	—	—	—	—
Total revenues and other financing sources.....	1,535	1,787	252	1,637
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Energy and Environmental Affairs	2,306	950	1,356	1,000
Total expenditures	2,306	950	1,356	1,000
Other financing uses				
Fringe benefit cost assessment	—	169	(169)	159
Total other financing uses	—	169	(169)	159
Total expenditures and other financing uses	2,306	1,119	1,187	1,159
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	\$ (771)	668	\$ 1,439	478
Fund balance/(deficit) at beginning of year.....		3,180		2,702
Fund balance/(deficit) at end of year.....		\$ 3,848		\$ 3,180

See accountants' review report

Public Safety Training Fund
Balance Sheet - Statutory Basis

As of June 30, 2018
(Amounts in thousands)

	2018	2017
ASSETS		
Cash and short-term investments.....	\$ 1,256	\$ 2,892
Total assets.....	<u>\$ 1,256</u>	<u>\$ 2,892</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ —	\$ —
Total liabilities.....	<u>—</u>	<u>—</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	1,173	—
Unreserved fund balance:		
Undesignated.....	83	2,892
Total fund balance.....	<u>1,256</u>	<u>2,892</u>
Total liabilities and fund balance.....	<u>\$ 1,256</u>	<u>\$ 2,892</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, 2018

(Amounts in thousands)

	2018 Budget	2018 Actual	Variance Favorable (Unfavorable)	2017 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental	\$ 1,900	\$ 1,022	\$ (878)	\$ 1,171
Miscellaneous	—	—	—	—
Total revenues	1,900	1,022	(878)	1,171
Other financing sources:				
Operating transfers in	—	—	—	—
Total other financing sources	—	—	—	—
Total revenues and other financing sources.....	1,900	1,022	(878)	1,171
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Attorney General	4	4	—	1
Sheriffs' Department	20	20	—	10
Public Safety and Security	2,096	2,048	48	670
Total expenditures	2,120	2,072	48	681
Other financing uses:				
Fringe benefit cost assessment	—	586	(586)	88
Total other financing uses	—	586	(586)	88
Total expenditures and other financing uses	2,120	2,658	(538)	769
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	\$ (220)	(1,636)	\$ (1,416)	402
Fund balance/(deficit) at beginning of year.....		2,892		2,490
Fund balance/(deficit) at end of year.....		\$ 1,256		\$ 2,892

See accountants' review report

Community First Trust Fund
Balance Sheet - Statutory Basis

As of June 30, 2018
(Amounts in thousands)

	2018	2017
ASSETS		
Cash and short-term investments.....	\$ —	\$ 12,037
Total assets.....	<u>\$ —</u>	<u>\$ 12,037</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ —	\$ —
Total liabilities.....	<u>—</u>	<u>—</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	—	12,037
Total fund balance.....	<u>—</u>	<u>12,037</u>
Total liabilities and fund balance.....	<u>\$ —</u>	<u>\$ 12,037</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, 2018

(Amounts in thousands)

	2018 Budget	2018 Actual	Variance Favorable (Unfavorable)	2017 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Federal grants and reimbursements	\$ —	\$ —	\$ —	\$ —
Total revenues	—	—	—	—
Other financing sources:				
Operating transfers in	—	—	—	—
Total other financing sources	—	—	—	—
Total revenues and other financing sources.....	—	—	—	—
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Health and Human Services	11,666	11,170	496	31,616
Total expenditures	11,666	11,170	496	31,616
Other financing uses:				
Fringe benefit cost assessment	—	867	(867)	968
Total other financing uses	—	867	(867)	968
Total expenditures and other financing uses	11,666	12,037	(371)	32,584
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	\$ (11,666)	(12,037)	\$ (371)	(32,584)
Fund balance/(deficit) at beginning of year.....		12,037		44,621
Fund balance/(deficit) at end of year.....		\$ —		\$ 12,037

See accountants' review report

Gaming Local Aid Fund
Balance Sheet - Statutory Basis

As of June 30, 2017
(Amounts in thousands)

	2018	2017
ASSETS		
Cash and short-term investments.....	\$ —	\$ —
Total assets.....	<u>\$ —</u>	<u>\$ —</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ —	\$ —
Total liabilities.....	<u>—</u>	<u>—</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	—	—
Total fund balance.....	<u>—</u>	<u>—</u>
Total liabilities and fund balance.....	<u>\$ —</u>	<u>\$ —</u>

See accountants' review report

Gaming Local Aid Fund

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

Fiscal Year Ended June 30, 2018

(Amounts in thousands)

	2018 Budget	2018 Actual	Variance Favorable (Unfavorable)	2017 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental	\$ —	\$ —	\$ —	\$ —
Total revenues	—	—	—	—
Other financing sources:				
Operating transfers in	64,400	68,011	3,611	63,970
Total other financing sources	64,400	68,011	3,611	63,970
Total revenues and other financing sources.....	64,400	68,011	3,611	63,970
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Direct local aid	64,344	64,343	1	63,970
Total expenditures	64,344	64,343	1	63,970
Other financing uses:				
Stabilization transfer	—	3,668	(3,668)	—
Total other financing uses	—	3,668	(3,668)	—
Total expenditures and other financing uses	64,344	68,011	(3,667)	63,970
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	\$ 56	—	\$ (56)	—
Fund balance/(deficit) at beginning of year.....		—		—
Fund balance/(deficit) at end of year.....		\$ —		\$ —

See accountants' review report

Local Aid Stabilization Fund
Balance Sheet - Statutory Basis

As of June 30, 2018
(Amounts in thousands)

	2018	2017
ASSETS		
Cash and short-term investments.....	\$ 50	\$ 50
Total assets.....	<u>\$ 50</u>	<u>\$ 50</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ —	\$ —
Total liabilities.....	<u>—</u>	<u>—</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	50	50
Total fund balance.....	<u>50</u>	<u>50</u>
Total liabilities and fund balance.....	<u>\$ 50</u>	<u>\$ 50</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, 2018

(Amounts in thousands)

	2018 Budget	2018 Actual	Variance Favorable (Unfavorable)	2017 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental	\$ —	\$ —	\$ —	\$ —
Total revenues	—	—	—	—
Other financing sources:				
Operating transfers in	—	—	—	—
Total other financing sources	—	—	—	—
Total revenues and other financing sources.....	—	—	—	—
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	\$ —	—	\$ —	—
Fund balance/(deficit) at beginning of year.....		50		50
Fund balance/(deficit) at end of year.....		\$ 50		\$ 50

See accountants' review report

Marijuana Regulation Fund
Balance Sheet - Statutory Basis

As of June 30, 2018
(Amounts in thousands)

	2018	2017
ASSETS		
Cash and short-term investments.....	\$ —	\$ —
Total assets.....	<u>\$ —</u>	<u>\$ —</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	—	—
Total liabilities.....	<u>—</u>	<u>—</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	—	—
Total fund balance.....	<u>—</u>	<u>—</u>
Total liabilities and fund balance.....	<u>\$ —</u>	<u>\$ —</u>

See accountants' review report

Marijuana Regulation Fund

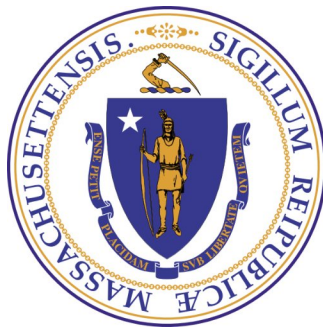
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2018

(Amounts in thousands)

	2018 Budget	2018 Actual	Variance Favorable (Unfavorable)	2017 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Federal grants and reimbursements	\$ —	\$ 39	\$ 39	\$ —
Total revenues	—	39	39	—
Total revenues and other financing sources.....	—	39	39	—
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Cannabis Control Commission	—	—	—	—
Total expenditures	—	—	—	—
Other financing uses:				
Stabilization transfer	—	39	(39)	—
Total other financing uses	—	39	(39)	—
Total expenditures and other financing uses	—	39	(39)	—
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	\$ —	—	\$ —	—
Fund balance/(deficit) at beginning of year.....		—		—
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 fifteen 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 assessments 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. Funds are credited in 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 from the fund. 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, 5% of the acute hospital assessments and any monies credited or transferred to the fund from any other fund or source. Funds are used to improve the quality and reduce the cost of health care in the Commonwealth.

Distressed Hospital Trust Fund - to account for gifts, grants and donations, interest earnings, 60% of the acute hospital assessments, and any funds provided from other sources. Expenditures support the State's efforts to meet the health care cost growth benchmark 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.

Prevention and Wellness Trust Fund - to account for any revenue from appropriations or other monies authorized by the General Court and specifically designated to be credited to the fund, any fines and penalties allocated to the fund, any gifts, grants and donations to further community-based prevention activities, any interest earnings, and any funds provided from other sources. Also, 26 2/3% of the acute hospital assessments shall be credited to this fund. Expenditures shall support the state's efforts to meet the health care cost growth benchmark and any activities funded by the Healthcare Payment Reform Fund and other health related purposes.

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 and designated thereto; any federal grants or loans; any private gifts, grants or donations made available; and investment income.

MassHealth Delivery System Reform Trust Fund - to account for any transfers from the Health Safety Net Trust Fund, FFP revenues, appropriation or other money authorized and designated to be credited to the fund; and any interest earned. The monies will be expended for approved Medicaid payments, reimbursements for services delivered to MassHealth beneficiaries; and for enhanced service and incentive payments to acute hospitals, and other providers or care organizations.

Community Hospital Reinvestment Trust Fund - to account for income designated to the fund such as gifts, grants, donations, interest earned any other money authorized. To be used to provide financial support to eligible acute care hospitals.

Non-acute Care Hospital Reimbursement Trust Fund - to account for assessments on acute care hospitals, FFP revenues, any revenues from appropriations or other any other money authorized and specifically designated to the fund and interest income. Funds shall be expended for Medicaid payments to non-acute, nonpublic hospitals licensed by the Department of Public Health.

Substance Use Disorder Federal Reinvestment Trust Fund - to account for FFP revenues, other federal reimbursements, grants, premiums, gifts, interest income and any other funds specifically designated to the fund. Funds shall be used to implement MassHealth's substance use disorder waiver demonstration project and to enhance and expand substance use disorder services.

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 including, federal grants; loan repayments; investment earnings 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. Funds shall be used to provide grants or loans to local governmental entities, charitable organizations and private dam owners to finance or refinance costs related to dams and flood or wave control repair or remediation projects.

Department of Telecommunication and Energy Trust Fund - to account for assessments on interstate operating revenue of electric companies and investment income. The expenditures by the Department of Telecommunications and Energy are 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 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.

Massachusetts Community Preservation Trust Fund - to account for surcharges from the registry of deeds, 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.

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.

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 funds appropriated, 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 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 for various healthcare related jobs programs.

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

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

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

Massachusetts 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. Expenditures are 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 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.

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. The secretary may expend from the fund for services provided in prior fiscal years.

Massachusetts Environmental Police Trust Fund - to account for certain administrative surcharges, a 10% maintenance fee charged on private details, any bond proceeds or funds appropriated, interest or investment earnings, and all other amounts credited or transferred to the fund from any other fund or source. Funds may be expended on programs and costs related to the division of law enforcement. 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.

Massachusetts Seafood Marketing Program Fund - to account for a portion of the monies from the sale of commercial harvester and dealer permits issued not to exceed \$250,000 per fiscal year; 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 any investment income. All amounts credited to the fund shall be for the purpose of developing and administering the seafood marketing program. 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 and investment income; 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.

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. The fund shall be exempt from the indirect and fringe benefits that would otherwise be assessed.

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 investment income credited to the fund. Funds shall be used in investigating the preparation for and response to storm and other emergency events by electric companies in the Commonwealth.

Homeless Animal Prevention and Care Fund - to offset costs associated with the vaccination, spaying and neutering of homeless dogs and cats owned by low-income residents and to assist with the training of animal control officers. 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, gifts, grants, donations and investment income 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, grants and investment income 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, gifts, grants, donations and investment income 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.

Massachusetts State Public Health HIV and Hepatitis 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 and investment income; 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 Trust Fund - to account for licensing fees of medical professionals. Expenditures are for the administration and operation of the Board.

Water Pollution Abatement Projects Administration Fund - to account for transfers from the Massachusetts Clean Water 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 appropriated. 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.

Massachusetts Tourism Trust Fund - to account for the \$10,000,000 collected from the room occupancy excise and revenues under the Gaming Revenue Fund designated by legislation. Spending from the fund will be as follows; 40% to the Massachusetts marketing partnership and 60% to regional tourism councils to promote tourism and for related administrative costs.

Long-Term Facility Quality Improvement Fund - to account for income from legislatively mandated fines and penalties imposed by the department of public health on long-term care facilities, revenues from appropriations, monies authorized by the general court, other designated monies from public or private sources: gifts, grants, donations rebates and settlements. Spending will be used to improve safety and enhance the quality of care provided in long-term care facilities.

Sexual Assault Nurse Examiner Trust Fund - to account for money received from public or private sources such as gifts, grants, donations, bequests, cash, securities and property contributions from any source. Spending will be used to support the sexual assault nurse examiner program costs and provide services for sexual assault patients.

Transportation Infrastructure Enhancement Trust Fund - to account for assessments received based on the number of annual rides given in a fiscal year by each transportation network company within the commonwealth; ½ of the funds are proportionately distributed to cities and towns, ¼ of the funds are distributed to the Massachusetts Development Finance Agency on behalf of small businesses operating in taxicab, livery, or hackney industries, and the final ¼ is distributed to the Commonwealth Transportation Fund.

Nickerson State Park Trust Fund - to account for a \$5 surcharge on admission for out-of-state campers in Nickerson State Park. Expenditures shall be made for the long-term preservation and maintenance of the Nickerson State Park.

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.

The following funds have been enacted in legislation but were inactive in FY18 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.

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.

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.

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. 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.

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 expired 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 for costs arising under any compact authorized by the general court. No expenditure from the fund shall cause it to become deficient at any point.

Public Records Assistance Fund - to account for revenues collected from punitive damages fines assessed to agencies or municipalities in violation of certain public record laws and other monies designated to be credited to the fund such as appropriations, bond proceeds, gifts, grants, private contributions, operating transfers and earned investment income. To be used to provide grants to municipalities to support information technology capabilities and improve access to public records. Money that is unexpended at the end of each fiscal year shall not revert to the General Fund and shall be available for expenditure by the fund in the subsequent fiscal year.

Olmsted Park Improvement Fund - to account for expenditures by the Department of Conservation & Recreation for activities of the Department related for the purposes of providing rehabilitation and improvement grants to cities and towns with an Olmsted Park within its municipal boundaries. The fund shall consist of public and private sources such as gifts, grants and donations, interest earned on revenues from gifts, grants and donations and any funds provided from other sources.

Non-Budgeted Special Revenue Funds
Combining Statement of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis
Fiscal Year Ended June 30, 2018
(Amounts in thousands)

	Lotteries			Gaming		Universal Health Care Funds	
	Federal Grants	State Lottery and Gaming	Arts Lottery	Gaming Control	Gaming Revenue	Catastrophic Illness in Children Relief	Commonwealth Care Trust
REVENUES AND OTHER FINANCING SOURCES							
Revenues:							
Taxes.....	\$ —	\$ 487	\$ —	\$ —	\$ 68,010	\$ —	\$ 139,020
Assessments	—	—	—	—	—	—	—
Federal grants and reimbursements.....	2,428,439	—	—	—	—	—	—
Departmental	—	5,392,897	43,383	27,863	—	—	226,406
Miscellaneous	444	4,969	139	—	—	—	—
Total revenues	2,428,883	5,398,353	43,522	27,863	68,010	—	365,426
Other financing sources:							
Operating transfers in	—	—	—	—	—	3,075	—
Medical assistance transfer	—	—	—	—	—	—	—
Total other financing sources	—	—	—	—	—	3,075	—
Total revenues and other financing sources	2,428,883	5,398,353	43,522	27,863	68,010	3,075	365,426
EXPENDITURES AND OTHER FINANCING USES							
Expenditures:							
Judiciary	1,764	—	—	—	—	—	—
Inspector General	—	—	—	—	—	—	—
Governor and Lieutenant Governor	—	—	—	—	—	—	—
Secretary of the Commonwealth	968	—	—	—	—	—	—
Treasurer and Receiver-General	1,288	4,310,129	34,347	195	—	—	—
Attorney General	46,558	—	—	1,562	—	—	—
District Attorney	2,715	—	—	—	—	—	—
Sheriffs' Departments	3,817	—	—	12	—	—	—
Disabled Persons Protection Commission	571	—	—	—	—	—	—
Board of Library Commissioners	2,791	—	—	—	—	—	—
Massachusetts Gaming Commission	—	—	—	22,087	—	—	—
Comptroller	—	—	—	—	—	—	—
Administration and Finance	6,091	—	—	—	—	—	307,277
Energy and Environmental Affairs	39,055	—	—	—	—	—	—
Health and Human Services	436,302	—	—	1,008	—	2,107	—
Executive Office of Technology Services and Security	—	—	—	—	—	—	—
Massachusetts Department of Transportation	379	—	—	—	—	—	—
Executive Office of Education	1,008,084	—	—	—	—	—	—
Center for Health Information and Analysis	5	—	—	—	—	—	—
Public Safety and Security	116,827	—	—	17	—	—	—
Housing and Economic Development	519,408	—	—	—	—	—	—
Labor and Workforce Development	124,467	—	—	—	—	—	93
Debt service:							
Principal retirement	—	—	—	—	—	—	—
Interest and fiscal charges	—	—	—	—	—	—	—
Total expenditures	2,311,090	4,310,129	34,347	24,881	—	2,107	307,370
Other financing uses:							
Fringe benefit cost assessment	68,364	11,155	—	2,585	—	161	31
Lottery operating reimbursements	—	103,136	—	—	—	—	—
Lottery distributions	—	973,933	9,175	—	—	—	—
Operating transfers out	40,923	—	—	2,132	68,010	61	9,078
Total other financing uses	109,287	1,088,224	9,175	4,717	68,010	222	9,109
Total expenditures and other financing uses	2,420,377	5,398,353	43,522	29,598	68,010	2,329	316,479
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	8,506	—	—	(1,735)	—	746	48,947
Fund balances/(deficits) at beginning of year	(47,269)	—	—	5,374	—	4,574	34,498
Fund balances/(deficits) at end of year	\$ (38,763)	\$ —	\$ —	\$ 3,639	\$ —	\$ 5,320	\$ 83,445

See accountants' review report

continued

Non-Budgeted Special Revenue Funds
Combining Statement of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis
Fiscal Year Ended June 30, 2018
(Amounts in thousands)

	Universal Health Care Funds			Non-Budgeted Other Funds			
	Community Hospital Reinvestment Trust	Non-acute Care Hospital Reimbursement Trust	Substance Use Disorder Federal Reinvestment Trust	Dam and Seawall Repair or Removal	Department of Telecommunication and Energy Trust	Fingerprint- Based Background Check Trust	Liability Management and Reduction
REVENUES AND OTHER FINANCING SOURCES							
Revenues:							
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Assessments	—	9,153	—	—	4,840	—	—
Federal grants and reimbursements	—	8,883	6,083	—	—	—	—
Departmental	—	—	—	835	—	4,022	2,234
Miscellaneous	—	—	—	86	6	—	20
Total revenues	—	18,036	6,083	921	4,846	4,022	2,254
Other financing sources:							
Operating transfers in	10,000	—	—	—	—	—	—
Medical assistance transfer	—	—	—	—	—	—	—
Total other financing sources	10,000	—	—	—	—	—	—
Total revenues and other financing sources	10,000	18,036	6,083	921	4,846	4,022	2,254
EXPENDITURES AND OTHER FINANCING USES							
Expenditures:							
Judiciary	—	—	—	—	—	—	—
Inspector General	—	—	—	—	—	—	—
Governor and Lieutenant Governor	—	—	—	—	—	—	—
Secretary of the Commonwealth	—	—	—	—	—	—	—
Treasurer and Receiver-General	—	—	—	—	—	—	—
Attorney General	—	—	—	—	—	—	69
District Attorney	—	—	—	—	—	—	—
Sheriffs' Departments	—	—	—	—	—	—	—
Disabled Persons Protection Commission	—	—	—	—	—	—	—
Board of Library Commissioners	—	—	—	—	—	—	—
Massachusetts Gaming Commission	—	—	—	—	—	—	—
Comptroller	—	—	—	—	—	—	2,128
Administration and Finance	—	—	—	—	—	—	—
Energy and Environmental Affairs	—	—	—	1,000	3,285	—	—
Health and Human Services	9,662	17,609	3,156	—	—	—	—
Executive Office of Technology Services and Security	—	—	—	—	—	—	—
Massachusetts Department of Transportation	—	—	—	—	—	—	—
Executive Office of Education	—	—	—	—	—	—	—
Center for Health Information and Analysis	—	—	—	—	—	—	—
Public Safety and Security	—	—	—	—	—	3,295	—
Housing and Economic Development	—	—	—	—	—	—	—
Labor and Workforce Development	—	—	—	—	—	—	—
Debt service:							
Principal retirement	—	—	—	—	—	—	—
Interest and fiscal charges	—	—	—	—	—	—	—
Total expenditures	9,662	17,609	3,156	1,000	3,285	3,295	2,197
Other financing uses:							
Fringe benefit cost assessment	—	—	—	—	1,026	285	30
Lottery operating reimbursements	—	—	—	—	—	—	—
Lottery distributions	—	—	—	—	—	—	—
Operating transfers out	—	—	—	—	85	177	—
Total other financing uses	—	—	—	—	1,111	462	30
Total expenditures and other financing uses	9,662	17,609	3,156	1,000	4,396	3,757	2,227
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	338	427	2,927	(79)	450	265	27
Fund balances/(deficits) at beginning of year	497	—	—	5,675	3,094	4,920	1,841
Fund balances/(deficits) at end of year	\$ 835	\$ 427	\$ 2,927	\$ 5,596	\$ 3,544	\$ 5,185	\$ 1,868

See accountants' review report

Non-Budgeted Other Funds

Medical Marijuana Trust	Essex Regional Emergency Communication Center	Dockside Testing Trust	Civil Monetary Penalty (CMP)	MBTA State and Local Contribution	Community Preservation Trust	Health Insurance Portability and Accountability Act	State Racing	Division of Professional Licensure Trust	Victims of Drunk Driving Trust
\$ —	\$ —	\$ —	\$ —	\$ 1,007,945	\$ 23,794	\$ —	\$ 887	\$ —	\$ —
—	889	—	—	166,408	—	—	814	—	—
—	—	—	—	—	—	15,422	—	—	—
12,818	—	175	2,334	—	—	—	566	10,932	343
—	—	—	—	—	127	—	581	—	5
12,818	889	175	2,334	1,174,353	23,921	15,422	2,848	10,932	348
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
12,818	889	175	2,334	1,174,353	23,921	15,422	2,848	10,932	348
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	1,174,353	—	—	—	—	—
—	—	—	—	—	—	—	—	—	486
—	—	—	—	—	—	—	—	—	194
—	954	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	2,514	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	24,135	—	—	—	—
—	—	—	—	—	—	—	—	—	—
5,249	—	89	990	—	—	13,474	70	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
7	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	8,807	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
5,256	954	89	990	1,174,353	24,135	13,474	2,584	8,807	680
701	164	25	5	—	31	288	217	1,760	50
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
270	50	10	2	—	12	70	179	529	20
971	214	35	7	—	43	358	396	2,289	70
6,227	1,168	124	997	1,174,353	24,178	13,832	2,980	11,096	750
6,591	(279)	51	1,337	—	(257)	1,590	(132)	(164)	(402)
11,231	337	385	5,985	—	21,538	7,621	1,688	5,018	1,031
\$ 17,822	\$ 58	\$ 436	\$ 7,322	\$ —	\$ 21,281	\$ 9,211	\$ 1,556	\$ 4,854	\$ 629

continued

Non-Budgeted Special Revenue Funds
Combining Statement of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis
Fiscal Year Ended June 30, 2018
(Amounts in thousands)

	Non-Budgeted Other Funds						
	State Athletic Commission	Organ and Tissue Donor Registration	Department of Fire Services Hazardous Material Emergency Mitigation Response	Registers Technological	County Registers Technological	State Election Campaign	Enhanced 911
REVENUES AND OTHER FINANCING SOURCES							
Revenues:							
Taxes.....	\$ 208	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Assessments	—	—	—	—	—	—	—
Federal grants and reimbursements.....	—	—	—	—	—	—	—
Departmental	18	256	195	4,552	2,455	—	102,366
Miscellaneous.....	—	—	—	—	—	273	344
Total revenues.....	226	256	195	4,552	2,455	273	102,710
Other financing sources:							
Operating transfers in	—	—	—	—	—	—	—
Medical assistance transfer	—	—	—	—	—	—	—
Total other financing sources	—	—	—	—	—	—	—
Total revenues and other financing sources	226	256	195	4,552	2,455	273	102,710
EXPENDITURES AND OTHER FINANCING USES							
Expenditures:							
Judiciary	—	—	—	—	—	—	—
Inspector General	—	—	—	—	—	—	—
Governor and Lieutenant Governor	—	—	—	—	—	—	—
Secretary of the Commonwealth	—	—	—	4,742	—	—	—
Treasurer and Receiver-General.....	—	—	—	—	—	—	—
Attorney General	—	—	—	—	—	—	—
District Attorney	—	—	—	—	—	—	—
Sheriffs' Departments.....	—	—	—	—	—	—	7,266
Disabled Persons Protection Commission	—	—	—	—	—	—	—
Board of Library Commissioners.....	—	—	—	—	—	—	—
Massachusetts Gaming Commission.....	—	—	—	—	—	—	—
Comptroller	—	—	—	—	—	—	—
Administration and Finance	—	—	—	—	—	—	509
Energy and Environmental Affairs.....	—	—	—	—	—	—	—
Health and Human Services	—	200	—	—	—	—	55
Executive Office of Technology Services and Security.....	—	—	—	—	2,423	—	185
Massachusetts Department of Transportation	—	—	—	—	—	—	—
Executive Office of Education	—	—	—	—	—	—	—
Center for Health Information and Analysis	—	—	—	—	—	—	—
Public Safety and Security	—	—	21	—	—	—	100,359
Housing and Economic Development.....	156	—	—	—	—	—	—
Labor and Workforce Development	—	—	—	—	—	—	—
Debt service:							
Principal retirement	—	—	—	—	—	—	—
Interest and fiscal charges	—	—	—	—	—	—	—
Total expenditures	156	200	21	4,742	2,423	—	108,374
Other financing uses:							
Fringe benefit cost assessment	46	—	—	530	—	—	3,497
Lottery operating reimbursements	—	—	—	—	—	—	—
Lottery distributions	—	—	—	—	—	—	—
Operating transfers out	42	—	3	233	—	—	2,840
Total other financing uses	88	—	3	763	—	—	6,337
Total expenditures and other financing uses	244	200	24	5,505	2,423	—	114,711
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses.....	(18)	56	171	(953)	32	273	(12,001)
Fund balances/(deficits) at beginning of year	312	713	406	1,767	3,102	937	122,671
Fund balances/(deficits) at end of year.....	\$ 294	\$ 769	\$ 577	\$ 814	\$ 3,134	\$ 1,210	\$ 110,670

See accountants' review report

Non-Budgeted Other Funds

[illegible]

continued

Non-Budgeted Special Revenue Funds
Combining Statement of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis
Fiscal Year Ended June 30, 2018
(Amounts in thousands)

	Non-Budgeted Other Funds						
	Nursing and Allied Health Workforce Development Trust	Health Information Technology Trust	Build America Bonds Subsidy Trust	Housing Preservation and Stabilization	Office of Refugees and Immigrants Trust	Veterans Independence Plus Initiative Trust	Environmental Police Trust
REVENUES AND OTHER FINANCING SOURCES							
Revenues:							
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Assessments	—	—	—	—	—	—	—
Federal grants and reimbursements	—	79,903	46,692	—	—	—	—
Departmental	248	—	—	—	—	600	693
Miscellaneous	—	—	—	—	144	—	—
Total revenues	248	79,903	46,692	—	144	600	693
Other financing sources:							
Operating transfers in	193	19,153	—	7,475	—	—	—
Medical assistance transfer	—	—	—	—	—	—	—
Total other financing sources	193	19,153	—	7,475	—	—	—
Total revenues and other financing sources	441	99,056	46,692	7,475	144	600	693
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	—	—	—	—	—	—	—
Sheriffs' Departments	—	—	—	—	—	—	—
Disabled Persons Protection Commission	—	—	—	—	—	—	—
Board of Library Commissioners	—	—	—	—	—	—	—
Massachusetts Gaming Commission	—	—	—	—	—	—	—
Comptroller	—	—	—	—	—	—	—
Administration and Finance	—	—	—	—	—	—	—
Energy and Environmental Affairs	—	—	—	—	—	—	515
Health and Human Services	—	50,159	—	—	49	928	—
Executive Office of Technology Services and Security	—	4,384	—	—	—	—	—
Massachusetts Department of Transportation	—	—	—	—	—	—	—
Executive Office of Education	321	—	—	—	—	—	—
Center for Health Information and Analysis	—	—	—	—	—	—	—
Public Safety and Security	—	—	—	—	—	—	—
Housing and Economic Development	—	—	—	692	—	—	—
Labor and Workforce Development	—	—	—	—	—	—	—
Debt service:							
Principal retirement	—	—	—	—	—	—	—
Interest and fiscal charges	—	—	38,212	—	—	—	—
Total expenditures	321	54,543	38,212	692	49	928	515
Other financing uses:							
Fringe benefit cost assessment	10	1,683	—	—	6	—	96
Lottery operating reimbursements	—	—	—	—	—	—	—
Lottery distributions	—	—	—	—	—	—	—
Operating transfers out	5	112	—	—	2	—	51
Total other financing uses	15	1,795	—	—	8	—	147
Total expenditures and other financing uses	336	56,338	38,212	692	57	928	662
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	105	42,718	8,480	6,783	87	(328)	31
Fund balances/(deficits) at beginning of year	257	(45,124)	298	6,129	22	331	—
Fund balances/(deficits) at end of year	\$ 362	\$ (2,406)	\$ 8,778	\$ 12,912	\$ 109	\$ 3	\$ 31

See accountants' review report

continued

Non-Budgeted Special Revenue Funds
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis
Fiscal Year Ended June 30, 2018
(Amounts in thousands)

	Non-Budgeted Other Funds						
	Workforce Training Trust Fund	Oil Overcharge	Substance Abuse Services	Victims of Human Trafficking Trust	Department of Public Utilities Storm Trust	Homeless Animal Prevention and Care	Horseneck Beach Reservation Trust
REVENUES AND OTHER FINANCING SOURCES							
Revenues:							
Taxes	\$ 24,676	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Assessments	—	—	—	—	233	—	—
Federal grants and reimbursements	—	—	—	—	—	—	—
Departmental	—	—	—	—	—	—	35
Miscellaneous	—	1	—	—	—	362	—
Total revenues	24,676	1	—	—	233	362	35
Other financing sources:							
Operating transfers in	—	—	—	—	—	—	—
Medical assistance transfer	—	—	—	—	—	—	—
Total other financing sources	—	—	—	—	—	—	—
Total revenues and other financing sources	24,676	1	—	—	233	362	35
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	—	—	—	—	—	—	—
Sheriffs' Departments	—	—	—	—	—	—	—
Disabled Persons Protection Commission	—	—	—	—	—	—	—
Board of Library Commissioners	—	—	—	—	—	—	—
Massachusetts Gaming Commission	—	—	—	—	—	—	—
Comptroller	—	—	—	—	—	—	—
Administration and Finance	—	—	—	—	—	—	—
Energy and Environmental Affairs	—	96	—	—	270	245	64
Health and Human Services	—	—	303	—	—	—	—
Executive Office of Technology Services and Security	—	—	—	—	—	—	—
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	19,412	—	—	—	—	—	—
Debt service:							
Principal retirement	—	—	—	—	—	—	—
Interest and fiscal charges	—	—	—	—	—	—	—
Total expenditures	19,412	96	303	—	270	245	64
Other financing uses:							
Fringe benefit cost assessment	87	—	—	—	84	28	—
Lottery operating reimbursements	—	—	—	—	—	—	—
Lottery distributions	—	—	—	—	—	—	—
Operating transfers out	8	—	—	—	7	—	—
Total other financing uses	95	—	—	—	91	28	—
Total expenditures and other financing uses	19,507	96	303	—	361	273	64
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	5,169	(95)	(303)	—	(128)	89	(29)
Fund balances/(deficits) at beginning of year	35,975	419	362	16	296	316	85
Fund balances/(deficits) at end of year	\$ 41,144	\$ 324	\$ 59	\$ 16	\$ 168	\$ 405	\$ 56

See accountants' review report

Non-Budgeted Other Funds

Environmental Trust	Social Innovation Financing Trust	Children's Trust	Child Support Enforcement	Military Family Relief	Department of Industrial Accidents Special	Logan Airport Health Study Trust	State Public Health HIV and Hepatitis	Head Injury Treatment Services Trust	Board of Registration in Medicine Trust
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	24,724	—	—	—	—
—	—	—	25,522	—	—	—	—	—	—
681	—	—	5,224	—	5,712	—	—	5,322	8,912
37	—	3	155	275	43	—	129	8	—
718	—	3	30,901	275	30,479	—	129	5,330	8,912
—	10,925	—	—	—	—	—	—	\$ —	\$ —
—	—	—	—	—	—	—	—	\$ —	\$ —
—	10,925	—	—	—	—	—	—	—	—
718	10,925	3	30,901	275	30,479	—	129	5,330	8,912
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	9	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	199	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	3,239	—	32,411	—	—	—	—	—	—
1,000	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	81	93	6,982	7,026
—	—	—	—	—	—	—	—	—	—
—	—	3	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	501	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	871	—	—	—	—
—	—	—	—	—	—	—	—	—	—
1,000	3,239	3	32,619	501	871	81	93	6,982	7,026
87	—	—	2,816	—	4,988	—	—	—	1,583
—	—	—	—	—	—	—	—	—	—
31	—	—	1,076	—	19,553	—	—	—	615
118	—	—	3,892	—	24,541	—	—	—	2,198
1,118	3,239	3	36,511	501	25,412	81	93	6,982	9,224
(400)	7,686	—	(5,610)	(226)	5,067	(81)	36	(1,652)	(312)
2,655	3,297	196	13,865	882	10,176	171	171	7,041	9,639
\$ 2,255	\$ 10,983	\$ 196	\$ 8,255	\$ 656	\$ 15,243	\$ 90	\$ 207	\$ 5,389	\$ 9,327

continued

Non-Budgeted Special Revenue Funds
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis
Fiscal Year Ended June 30, 2018
(Amounts in thousands)

	Non-Budgeted Other Funds						
	Water Pollution Abatement Project Administration	Child Care Quality	Convention and Exhibition Center	Firearms Fingerprint Identity Verification Trust	Grant Anticipation Note Trust	Race Horse Development	Community Mitigation
REVENUES AND OTHER FINANCING SOURCES							
Revenues:							
Taxes	\$ —	\$ —	\$ 146,872	\$ —	\$ —	\$ —	\$ —
Assessments	—	—	—	—	—	—	—
Federal grants and reimbursements	7,583	—	—	—	542,712	—	—
Departmental	—	190	—	1,913	—	15,242	—
Miscellaneous	—	—	1,059	—	2,265	—	—
Total revenues	7,583	190	147,931	1,913	544,977	15,242	—
Other financing sources:							
Operating transfers in	—	—	—	—	36,406	—	—
Medical assistance transfer	—	—	—	—	—	—	—
Total other financing sources	—	—	—	—	36,406	—	—
Total revenues and other financing sources	7,583	190	147,931	1,913	581,383	15,242	—
EXPENDITURES AND OTHER FINANCING USES							
Expenditures:							
Judiciary	—	—	—	—	—	—	—
Inspector General	—	—	—	—	—	—	—
Governor and Lieutenant Governor	—	—	—	—	—	—	—
Secretary of the Commonwealth	—	—	—	—	—	—	—
Treasurer and Receiver-General	—	—	—	—	1,483	—	—
Attorney General	—	—	—	—	—	—	—
District Attorney	—	—	—	—	—	—	—
Sheriffs' Departments	—	—	—	—	—	—	400
Disabled Persons Protection Commission	—	—	—	—	—	—	—
Board of Library Commissioners	—	—	—	—	—	—	—
Massachusetts Gaming Commission	—	—	—	—	—	16,557	3,080
Comptroller	—	—	—	—	—	—	—
Administration and Finance	—	—	24,387	—	—	—	—
Energy and Environmental Affairs	5,076	—	—	—	—	—	—
Health and Human Services	—	—	—	—	—	—	—
Executive Office of Technology Services and Security	—	—	—	—	—	—	—
Massachusetts Department of Transportation	—	—	—	—	—	—	—
Executive Office of Education	—	36	—	—	—	—	65
Center for Health Information and Analysis	—	—	—	—	—	—	—
Public Safety and Security	—	—	—	889	—	—	—
Housing and Economic Development	—	—	—	—	—	—	—
Labor and Workforce Development	—	—	—	—	—	—	—
Debt service:							
Principal retirement	—	—	23,310	—	60,835	—	—
Interest and fiscal charges	—	—	31,163	—	36,654	—	—
Total expenditures	5,076	36	78,860	889	98,972	16,557	3,545
Other financing uses:							
Fringe benefit cost assessment	1,591	—	—	—	—	—	10
Lottery operating reimbursements	—	—	—	—	—	—	—
Lottery distributions	—	—	—	—	—	—	—
Operating transfers out	2,016	7	—	—	479,727	—	181
Total other financing uses	3,607	7	—	—	479,727	—	191
Total expenditures and other financing uses	8,683	43	78,860	889	578,699	16,557	3,736
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	(1,100)	147	69,071	1,024	2,684	(1,315)	(3,736)
Fund balances/(deficits) at beginning of year	2,298	1,003	127,199	3,199	89,852	13,832	16,410
Fund balances/(deficits) at end of year	\$ 1,198	\$ 1,150	\$ 196,270	\$ 4,223	\$ 92,536	\$ 12,517	\$ 12,674

See accountants' review report

Non-Budgeted Other Funds						MassDOT			
Capital Needs Investment	Tourism Trust	Long-Term Care Facility Quality Improvement	Sexual Assault Nurse Examiner Trust	Transportation Infrastructure Enhancement Trust	Nickerson State Park Trust	Massachusetts Transportation Trust	Central Artery/Tunnel Project Repair and Maintenance Trust	Motor Vehicle Safety Inspection Trust	Transportation Infrastructure and Development
\$ —	\$ 10,000	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	12,961	—	—	—	—	—
—	—	—	—	—	—	18,802	—	—	—
—	—	22	2	—	52	504,845	—	57,408	—
—	—	—	—	—	—	32,084	2,148	258	155
—	10,000	22	2	12,961	52	555,731	2,148	57,666	155
—	—	—	—	—	—	655,121	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	655,121	—	—	—
—	10,000	22	2	12,961	52	1,210,852	2,148	57,666	155
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	5	—	—	—	—	68	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	214	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	1,913	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	5,757	—	—	—
—	—	—	—	9,720	—	3,612	—	2,281	—
—	—	—	—	—	—	68	—	—	—
—	—	—	—	—	—	1,762	—	—	—
—	—	—	—	—	—	1,015,253	7,729	10,278	8,106
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	190	—	—	—
—	9,602	—	—	—	—	533	—	—	—
—	—	—	—	—	—	22	—	—	—
—	—	—	—	—	—	—	—	—	—
—	9,607	—	—	9,720	—	1,029,392	7,729	12,559	8,106
—	2	—	—	—	—	75,595	—	1,525	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	3,240	—	15,357	—	43,687	—
—	2	—	—	3,240	—	90,952	—	45,212	—
—	9,609	—	—	12,960	—	1,120,344	7,729	57,771	8,106
—	391	22	2	1	52	90,508	(5,581)	(105)	(7,951)
722	432	5	—	—	—	752,566	384,321	5,717	12,612
\$ 722	\$ 823	\$ 27	\$ 2	\$ 1	\$ 52	\$ 843,074	\$ 378,740	\$ 5,612	\$ 4,661

continued

Non-Budgeted Special Revenue Funds
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis
Fiscal Year Ended June 30, 2018
(Amounts in thousands)

	Totals (Memorandum only)	
	2018	2017
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Taxes	\$ 2,269,843	\$ 2,214,074
Assessments	806,095	754,577
Federal grants and reimbursements	3,488,353	3,255,134
Departmental	6,731,084	6,368,897
Miscellaneous	48,909	46,203
Total revenues	13,344,284	12,638,885
Other financing sources:		
Operating transfers in	939,573	930,715
Medical assistance transfer	579,944	403,367
Total other financing sources	1,519,517	1,334,082
Total revenues and other financing sources	14,863,801	13,972,967
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Judiciary	1,764	1,668
Inspector General	387	218
Governor and Lieutenant Governor	73	132
Secretary of the Commonwealth	5,710	4,864
Treasurer and Receiver-General	6,369,962	6,097,339
Attorney General	48,675	24,515
District Attorney	3,108	3,042
Sheriffs' Departments	14,362	10,985
Disabled Persons Protection Commission	571	159
Board of Library Commissioners	2,791	2,854
Massachusetts Gaming Commission	44,238	36,749
Comptroller	2,128	2,022
Administration and Finance	423,701	392,502
Energy and Environmental Affairs	123,529	117,823
Health and Human Services	2,517,235	1,948,856
Executive Office of Technology Services and Security	8,754	—
Massachusetts Department of Transportation	1,041,745	1,196,021
Executive Office of Education	1,009,933	991,602
Center for Health Information and Analysis	5	208
Public Safety and Security	223,318	245,863
Housing and Economic Development	539,198	503,427
Labor and Workforce Development	146,796	168,718
Debt service:		
Principal retirement	87,857	76,797
Interest and fiscal charges	107,750	117,079
Total expenditures	12,723,590	11,943,443
Other financing uses:		
Fringe benefit cost assessment	185,564	189,437
Lottery operating reimbursements	103,136	100,392
Lottery distributions	983,108	1,025,411
Operating transfers out	690,996	889,844
Total other financing uses	1,962,804	2,205,084
Total expenditures and other financing uses	14,686,394	14,148,527
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	177,407	(175,560)
Fund balances/(deficits) at beginning of year	1,891,339	2,066,899
Fund balances/(deficits) at end of year	\$ 2,068,746	\$ 1,891,339

See accountants' review report

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 FY18 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, 2018

(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	\$ 78,586	\$ —	\$ —	\$ —
Departmental	—	—	—	—
Miscellaneous	—	—	—	2,784
Total revenues	78,586	—	—	2,784
Other financing sources:				
Issuance of general obligation bonds.....	1,235,600	—	—	497,843
Bond premiums (discounts) on general obligation bonds	149,514	—	—	83,778
Issuance of special obligation bonds	—	—	—	650,000
Bond premiums (discounts) on special obligation bonds	—	—	—	109,304
Issuance of current refunding bonds.....	34,346	—	1,182	188,470
Bond premiums (discounts) on current refunding bonds	—	—	—	25,064
Issuance of advance refunding bonds.....	154,243	—	—	371,931
Bond premiums (discounts) on advance refunding bonds.....	34,764	—	—	67,053
Operating transfers in	—	—	—	11,254
State share of federal highway construction.....	—	—	—	—
Total other financing sources	1,608,467	—	1,182	2,004,697
Total revenues and other financing sources	1,687,053	—	1,182	2,007,481
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Judiciary.....	12,302	—	—	—
Inspector General.....	—	—	—	—
Secretary of the Commonwealth	1,501	—	—	—
Treasurer and Receiver-General	45,643	—	—	—
Auditor of the Commonwealth	1,299	—	—	—
Attorney General	818	—	—	155
Ethics Commission	6	—	—	—
District Attorney	—	—	—	—
Sheriffs' Departments	3,027	—	—	—
Board of Library Commissioners	19,936	—	—	—
Comptroller.....	—	—	—	—
Administration and Finance.....	438,983	—	—	—
Energy and Environmental Affairs	208,167	—	—	1,693
Health and Human Services	62,810	—	—	—
Executive Office of Technology Services and Security	55,627	—	—	—
Massachusetts Department of Transportation.....	102,083	—	—	1,103,959
Executive Office of Education.....	53,081	—	—	—
Center for Health Information and Analysis.....	4	—	—	—
Public Safety and Security.....	39,218	—	—	—
Housing and Economic Development	427,561	—	—	631
Labor and Workforce Development	1,147	—	—	—
Total expenditures.....	1,473,213	—	—	1,106,438
Other financing uses:				
Payments to advance refunding bonds escrow	189,007	—	—	438,984
Principal on current refundings	34,346	—	1,182	213,534
Fringe benefit cost assessment	16,598	—	—	—
Operating transfers out	—	—	—	—
State share of federal highway construction.....	—	—	—	108,859
Total other financing uses	239,951	—	1,182	761,377
Total expenditures and other financing uses	1,713,164	—	1,182	1,867,815
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	(26,111)	—	—	139,666
Fund balances/(deficits) at beginning of year	250,037	8,393	—	(144,116)
Fund balances/(deficits) at end of year	\$ 223,926	\$ 8,393	\$ —	\$ (4,450)

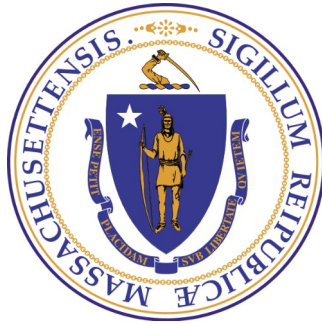
See accountant's review report

			MassDOT			
Federal Highway Construction Program	Government Land Bank Capital Projects	Local Aid Capital Projects	Central Artery Statewide Road and Bridge Infrastructure	Totals (Memorandum only)		
				2018	2017	
\$ 20,415	\$ —	\$ —	\$ —	\$ 99,001	\$ 58,354	
7,070	—	—	108	7,178	2,757	
—	—	—	575	3,359	1,324	
27,485	—	—	683	109,538	62,435	
—	1,000	—	—	1,734,443	2,408,675	
—	—	—	—	233,292	210,424	
—	—	—	—	650,000	461,975	
—	—	—	—	109,304	55,148	
—	—	961	377,466	602,425	188,490	
—	—	—	55,129	80,193	—	
—	—	6	—	526,180	1,664,790	
—	—	1	—	101,818	415,912	
479,727	—	—	—	490,981	489,130	
108,859	—	—	—	108,859	111,172	
588,586	1,000	968	432,595	4,637,495	6,005,716	
616,071	1,000	968	433,278	4,747,033	6,068,151	
—	—	—	—	12,302	18,847	
—	—	—	—	—	40	
—	—	—	—	1,501	1,530	
—	—	—	—	45,643	14,148	
—	—	—	—	1,299	2,936	
—	—	—	—	973	943	
—	—	—	—	6	87	
—	—	—	—	—	5	
—	—	—	—	3,027	3,448	
—	—	—	—	19,936	12,435	
—	—	—	—	—	137	
—	500	—	—	439,483	619,824	
548	—	—	—	210,408	201,141	
—	—	—	—	62,810	61,986	
—	—	—	—	55,627	—	
604,962	—	—	24	1,811,028	1,793,170	
—	—	—	—	53,081	54,352	
—	—	—	—	4	—	
—	—	—	—	39,218	40,760	
—	—	—	—	428,192	359,467	
—	—	—	—	1,147	1,754	
605,510	500	—	24	3,185,685	3,187,010	
—	—	7	—	627,998	2,080,702	
—	—	961	432,595	682,618	188,490	
10,559	—	—	—	27,157	15,528	
—	—	11	—	11	—	
—	—	—	—	108,859	111,172	
10,559	—	979	432,595	1,446,643	2,395,892	
616,069	500	979	432,619	4,632,328	5,582,902	
2	500	(11)	659	114,705	485,249	
514	(500)	11	36,216	150,555	(334,694)	
\$ 516	\$ —	\$ —	\$ 36,875	\$ 265,260	\$ 150,555	



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Supplemental Information



Calculation of Transfers – Stabilization and Tax Reduction Funds
Schedule A – FY2018 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 Pension and Post Employment Health Benefits – Last Six Fiscal Years

See accountants' review report

Calculation of Transfers: Stabilization Fund*

Fiscal Year Ended June 30, 2018

(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	Gaming Local Aid	Marijuana Regulation Fund	Total
Budgeted Fund Undesignated Balances (Consolidated Net Surplus)	\$ 95,754	\$ 129,826	\$ 3,668	\$ 39	\$ 229,286
<u>Disposition of Consolidated Net Surplus per Section 65 of Ch. 273 of the Acts of 2018:</u>					
To the Massachusetts Community Preservation Trust Fund	(10,000)	—	—	—	(10,000)
To the Massachusetts Life Sciences Investment Fund	(10,000)	—	—	—	(10,000)
Remaining Consolidated Net Surplus to be Deposited in Stabilization Fund.....	<u>\$ 75,754</u>	<u>\$ 129,826</u>	<u>\$ 3,668</u>	<u>\$ 39</u>	<u>\$ 209,287</u>

Stabilization Balance Reconciliation:

Balance as of July 1, 2017	\$ 1,300,678
Capital Gains Tax Transfers to Stabilization Fund during FY2018 per Chapter 29, Section 5G	513,908
Minus Capital Gains Tax Transfers from Stabilization Fund to State Pension and State Retiree Benefits Trust Funds	(51,390)
Transfer to Stabilization Fund from Abandoned Property Revenue Growth from Prior Fiscal Year	13,450
Transfer of certain tax revenues to the Stabilization Fund	272
Stabilization Fund investment income	15,094
Remaining Consolidated Net Surplus Deposited in Stabilization Fund, per Calculation Above	209,287
Stabilization Fund Balance as of June 30, 2018	<u>\$ 2,001,299</u>
Memo: Change in Stabilization Fund Balance, FY17-18	\$ 700,621

* Excludes funds with no FY18 balances or activity

Note: Details may not add to totals due to rounding

Calculation Of Transfers: Tax Reduction Fund

Fiscal Year Ended June 30, 2018

(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.....	\$ 2,001,299
Allowable Stabilization Fund balance (per Schedule B)	6,572,883
	<hr/>
Stabilization Fund excess, if any, transferable to Tax Reduction Fund.....	\$ —
	<hr/>

Part 2: Status of Stabilization Fund after transfers:

Stabilization Fund balance	\$ 2,001,299
Transfer to Tax Reduction Fund.....	—
	<hr/>
Stabilization Fund balance after transfer to Tax Reduction Fund	\$ 2,001,299
	<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
FY2018 Tax Revenues By Revenue Class

Fiscal Year Ended June 30, 2018
(Amounts in thousands)

Alcoholic beverages.....	\$ 84,978
Cigarette.....	471,246
Cigarette excise - Commonwealth Care	122,927
Corporations	2,408,947
Deeds	284,497
Estate and inheritance	472,956
Health care coverage penalty - Commonwealth Care	16,093
Income	16,239,568
Insurance.....	363,569
Motor and special fuels.....	769,144
Room occupancy	261,938
Sales and use.....	6,490,418
Club alcoholic beverages.....	865
Motor vehicle excise.....	116
Convention center surcharges.....	17,178
Community preservation	23,794
Satellite	9,721
Gaming revenue - Mass Gaming Commission.....	68,010
State racing - Mass Gaming Commission	887
Beano	1,218
Raffles and bazaars	1,031
Boxing.....	45
DOI excess and surplus lines.....	42,682
UI surcharge.....	24,676
 FY 2018 state tax revenue	 \$ 28,176,504

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

Fiscal Year Ended June 30, 2018
(Amounts in thousands)

Total budgeted revenues and other financial resources pertaining to the budgeted funds.....	\$ 45,036,235
Elimination of budgetary interfund activity exclusive of fund closure (per Schedule C)	<u>(1,217,014)</u>
Budgeted revenues and other financial resources pertaining to the budgeted funds	<u>43,819,221</u>
Allowable Stabilization Fund balance, 15% of budgeted revenue	<u><u>\$ 6,572,883</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

Fiscal Year Ended June 30, 2018
(Amounts in thousands)

Adjustments to revenues :	
Transfer to the Intragovernmental Service Fund.....	\$ (437,226)
Adjustments to other financing sources and uses:	
Fringe benefit cost assessments.....	(4,952)
Transfer from the Intragovernmental Service Fund to the General Fund	(7,416)
RMV license plates.....	(4,026)
Transfer from General Fund to the Commonwealth Transportation Fund.....	(40,000)
Transfer from budgeted funds to the Stabilization Fund.....	(723,195)
Other	(199)
Elimination of budgetary interfund activity	<u>\$ (1,217,014)</u>



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Non-Tax Revenue Initiatives

Fiscal Year Ended June 30, 2018
(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 FY18 were (amounts in thousands):

Department Collectors	Collections	Fees
Collecto, Inc.....	\$ 3,735	\$ 606
Allen Daniels	1,104	172
Premier Credit of North America, LLC	567	91
Delta.....	542	84
Financial Asset Management Systems, Inc	256	17
Linebarger, Goggan, Blair & Sampson, LLP.....	159	35
Total	<u>\$ 6,363</u>	<u>\$ 1,005</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	\$ 3,356	\$ 542
Allen Daniels.....	869	133
Delta	436	67
Premier Credit of North America, LLC	371	59
Linebarger, Goggan, Blair & Sampson, LLP	30	5
Total.....	<u>\$ 5,062</u>	<u>\$ 806</u>

II. 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 FY18, the following amounts were generated (amounts in thousands):

State expenditures avoided	\$ 3,183
Contractor payments	(605)
Net cost savings/avoidance	<u>\$ 2,578</u>

III. 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. FY18 activity (amounts in thousands):

Total Commonwealth intercepts	\$ 19,932
Amounts included above that were intercepted on behalf of the Institutions of Higher Education	\$ 9,723

Schedule of Pension and Other 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, 2018.....	\$ 26,248,250	\$ 40,456,611	\$ 14,208,361	64.9%	\$ 6,155,194	230.8%
Actuarial Valuation as of January 1, 2017.....	24,773,042	38,316,719	13,543,677	64.7%	5,927,012	228.5%
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%
Teachers' Retirement System						
Actuarial Valuation as of January 1, 2018.....	\$ 27,057,700	\$ 51,653,285	\$ 24,595,585	52.4%	\$ 6,829,012	360.2%
Actuarial Valuation as of January 1, 2017.....	25,638,136	49,193,503	23,555,367	52.1%	6,583,871	357.8%
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%

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

The results of the January 1, 2018 Other Post-employment Benefits (OPEB) Actuarial Valuation will be presented in the Comprehensive Annual Financial Report (CAFR) due to changes in accounting standards.



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Statistical Section



Ten-Year Schedules – Statutory Basis

Higher Education Non-appropriated Funds – Statutory Basis

See accountants' review report

Ten-Year Schedule of Revenues and Other Financing Sources
All Governmental Fund Types - Statutory Basis

Fiscal Year Ended June 30, 2018
(Amounts in millions)

	2018	% Total	2017	% Total	2016	% Total	2015	% Total
Taxes	\$ 28,177	44.0	\$ 26,042	42.1	\$ 25,800	42.7	\$ 25,239	44.4
Federal reimbursements	12,536	19.5	11,801	19.1	11,528	19.1	10,287	18.1
Federal grants	2,428	3.8	2,370	3.8	2,363	3.9	2,269	4.0
Lotteries	5,441	8.5	5,257	8.5	5,407	8.9	5,194	9.1
Assessments	1,246	1.9	1,209	2.0	1,058	1.7	1,033	1.8
Motor vehicle licenses and registrations	565	0.9	546	0.9	546	0.9	546	1.0
Fees, investment earnings, etc	5,525	8.6	4,963	8.0	5,016	8.3	4,409	7.8
Proceeds of general and special obligation bonds and related premiums	2,727	4.3	3,136	5.1	3,003	5.0	3,404	6.0
Proceeds of refunding bonds	1,311	2.0	2,269	3.7	1,674	2.8	707	1.2
Other interfund transfers	4,202	6.5	4,233	6.8	4,067	6.7	3,748	6.6
Total revenues and other financing sources	<u>\$ 64,158</u>	<u>100.0</u>	<u>\$ 61,826</u>	<u>100.0</u>	<u>\$ 60,462</u>	<u>100.0</u>	<u>\$ 56,836</u>	<u>100.0</u>

2014	% Total	2013	% Total	2012	% Total	2011	% Total	2010	% Total	2009	% Total
\$ 23,665	43.6	\$ 22,396	43.8	\$ 21,384	42.7	\$ 20,776	38.2	\$ 18,792	40.3	\$ 18,513	38.8
9,265	17.1	9,078	17.8	8,931	17.8	10,151	18.6	9,374	20.1	9,139	19.1
2,328	4.3	2,396	4.7	2,655	5.3	3,097	5.7	3,134	6.7	2,646	5.5
5,050	9.3	5,043	9.9	4,941	9.9	4,632	8.5	4,629	9.9	4,649	9.7
1,079	2.0	1,018	2.0	986	2.0	960	1.8	971	2.1	894	1.9
495	0.9	487	1.0	474	0.9	497	0.9	463	1.0	383	0.8
4,252	7.9	3,858	7.5	3,580	7.2	3,461	6.4	2,828	6.0	2,798	5.9
2,262	4.2	1,512	3.0	1,921	3.8	2,306	4.2	1,672	3.6	2,141	4.5
722	1.3	231	0.5	480	1.0	947	1.7	538	1.2	390	0.8
5,093	9.4	4,982	9.8	4,731	9.4	7,618	14.0	4,233	9.1	6,197	13.0
<u>\$ 54,211</u>	<u>100.0</u>	<u>\$ 51,001</u>	<u>100.0</u>	<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>

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

Fiscal Year Ended June 30, 2018

(Amounts in millions)

	2018	% Total	2017	% Total	2016	% Total	2015	% Total
Income.....	\$ 16,240	57.7	\$ 14,684	56.3	\$ 14,394	55.9	\$ 14,449	57.2
Sales and use.....	6,490	23.0	6,241	24.0	6,090	23.6	5,804	23.0
Corporations.....	2,409	8.5	2,196	8.4	2,333	9.0	2,227	8.8
Motor fuels.....	769	2.7	769	3.0	767	3.0	756	3.0
Cigarette and tobacco.....	594	2.1	619	2.4	641	2.5	647	2.6
Insurance.....	364	1.3	358	1.4	369	1.4	333	1.3
Estate and inheritance.....	473	1.7	337	1.3	399	1.5	341	1.4
Alcoholic beverages.....	85	0.3	84	0.3	83	0.3	80	0.3
Other.....	753	2.7	754	2.9	724	2.8	602	2.4
Total taxes.....	<u>\$ 28,177</u>	<u>100.0</u>	<u>\$ 26,042</u>	<u>100.0</u>	<u>\$ 25,800</u>	<u>100.0</u>	<u>\$ 25,239</u>	<u>100.0</u>

2014	% Total	2013	% Total	2012	% Total	2011	% Total	2010	% Total	2009	% Total
\$ 13,202	55.8	\$ 12,831	57.3	\$ 11,911	55.6	\$ 11,576	55.6	\$ 10,110	53.8	\$ 10,584	57.2
5,519	23.3	5,184	23.1	5,079	23.8	4,921	23.7	4,626	24.6	3,880	21.0
2,195	9.3	1,888	8.4	2,002	9.4	1,931	9.3	1,835	9.8	1,790	9.7
732	3.1	651	2.9	662	3.1	661	3.2	655	3.5	654	3.5
661	2.8	558	2.6	574	2.6	599	2.9	597	3.1	603	3.2
316	1.3	373	1.7	318	1.5	296	1.4	285	1.5	309	1.7
402	1.7	313	1.4	293	1.4	310	1.5	221	1.2	260	1.4
79	0.3	77	0.3	77	0.4	73	0.4	72	0.4	73	0.4
559	2.4	521	2.3	468	2.2	409	2.0	391	2.1	360	1.9
<u>\$ 23,665</u>	<u>100.0</u>	<u>\$ 22,396</u>	<u>100.0</u>	<u>\$ 21,384</u>	<u>100.0</u>	<u>\$ 20,776</u>	<u>100.0</u>	<u>\$ 18,792</u>	<u>100.0</u>	<u>\$ 18,513</u>	<u>100.0</u>

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

Fiscal Year Ended June 30, 2018

(Amounts in millions)

	2018	% Total	2017	% Total	2016	% Total	2015	% Total
Legislature	\$ 68	0.1	\$ 67	0.1	\$ 61	0.1	\$ 60	0.1
Judiciary	933	1.5	929	1.5	896	1.5	852	1.5
Inspector General	4	—	4	—	4	—	5	—
Governor and Lieutenant Governor	7	—	7	—	7	—	7	—
Secretary of the Commonwealth	46	0.1	52	0.1	45	0.1	52	0.1
Treasurer and Receiver-General	6,631	10.5	6,314	10.3	6,485	10.7	6,224	11.1
Auditor of the Commonwealth	20	—	21	—	20	—	21	—
Attorney General	98	0.2	71	0.1	63	0.1	56	0.1
Ethics Commission	2	—	2	—	3	—	2	—
District Attorney	122	0.2	123	0.2	116	0.2	111	0.2
Office of Campaign and Political Finance	2	—	2	—	2	—	2	—
Sheriffs' Departments	637	1.0	624	1.0	616	1.0	595	1.1
Disabled Persons Protection Commission	4	—	3	—	3	—	3	—
Board of Library Commissioners	48	0.1	40	0.1	48	0.1	49	0.1
Massachusetts Gaming Commission	45	0.1	38	0.1	35	0.1	21	—
Comptroller	16	—	16	—	17	—	20	—
Administration and Finance	8,975	14.2	9,016	14.6	8,823	14.8	8,832	15.9
Energy and Environmental Affairs	565	0.9	543	0.9	627	1.0	628	1.1
Health and Human Services	24,438	38.2	23,037	37.6	22,579	37.3	20,398	36.0
Executive Office of Technology Services and Security ..	137	0.2	—	—	—	—	—	—
Transportation and Public Works	—	—	—	—	—	—	—	—
Massachusetts Department of Transportation	2,980	4.7	3,129	5.1	3,287	5.4	3,248	5.8
Office of the Child Advocate	1	—	1	—	1	—	—	—
Cannabis Control Commission	2	—	—	—	—	—	—	—
Executive Office of Education	3,353	5.3	3,280	5.3	3,320	5.5	3,218	5.7
Center for Health Information and Analysis	21	—	23	—	27	—	28	—
Public Safety and Security	1,430	2.3	1,406	2.3	1,396	2.3	1,350	2.4
Housing and Economic Development	1,500	2.4	1,359	2.2	1,320	2.2	1,281	2.3
Labor and Workforce Development	195	0.3	214	0.3	214	0.4	223	0.4
Post employment benefits	2,891	4.6	2,660	4.3	2,503	4.1	2,287	3.9
Debt service	2,519	4.0	2,479	4.0	2,470	4.1	2,507	4.5
Payments to advance refunding escrow agent/Principal on current refunding	1,311	2.1	2,269	3.7	1,674	2.8	707	1.3
Other fund deficit support	—	—	145	0.2	71	0.1	89	0.2
Other interfund transfers	4,412	7.0	3,677	6.0	3,685	6.1	3,409	6.2
Total expenditures and other financing uses	<u>\$ 63,414</u>	<u>100.0</u>	<u>\$ 61,550</u>	<u>100.0</u>	<u>\$ 60,417</u>	<u>100.0</u>	<u>\$ 56,285</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.

2014	% Total	2013	% Total	2012	% Total	2011	% Total	2010	% Total	2009	% Total
\$ 56	0.1	\$ 57	0.1	\$ 58	0.1	\$ 58	0.1	\$ 59	0.1	\$ 60	0.1
831	1.5	802	1.5	780	1.6	788	1.5	788	1.7	814	1.6
6	—	6	—	3	—	3	—	4	—	3	—
5	—	6	—	7	—	5	—	5	—	8	—
53	0.1	50	0.1	43	0.1	46	0.1	54	0.1	53	0.1
5,893	10.9	5,867	11.3	5,847	11.7	5,610	10.6	5,483	11.5	6,043	12.2
19	—	19	—	18	—	17	—	17	—	20	—
53	0.1	50	0.1	53	0.1	51	0.1	53	0.1	57	0.1
2	—	2	—	2	—	2	—	2	—	2	—
108	0.2	108	0.2	101	0.2	97	0.2	96	0.2	104	0.2
1	—	1	—	1	—	3	—	1	—	1	—
571	1.0	543	1.0	532	1.1	511	1.0	378	0.8	295	0.6
2	—	2	—	2	—	2	—	2	—	3	—
45	0.1	41	0.1	34	0.1	34	0.1	34	0.1	48	0.1
23	—	14	—	1	—	—	—	—	—	—	—
18	—	14	—	13	—	14	—	15	—	14	—
8,862	16.3	8,665	16.8	7,456	14.9	7,206	13.7	7,040	14.9	6,892	14.2
561	1.0	490	0.9	456	0.9	482	0.9	529	1.1	526	1.1
18,649	34.1	17,447	34.1	17,632	35.1	17,737	33.5	16,044	33.8	16,468	33.3
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	509	1.1	1,689	3.4
2,914	5.4	2,439	4.7	2,323	4.6	2,278	4.3	1,542	3.2	—	—
—	—	—	—	—	—	3,225	6.1	3,184	6.7	3,390	6.9
—	—	—	—	—	—	—	—	—	—	—	—
3,130	5.8	2,952	5.7	3,030	6.0	—	—	—	—	—	—
25	—	9	—	—	—	1,172	2.2	1,308	2.7	1,456	2.9
1,313	2.4	1,324	2.6	1,236	2.5	—	—	—	—	—	—
1,251	2.3	1,214	2.3	1,203	2.4	1,283	2.4	1,245	2.6	981	2.0
237	0.4	300	0.6	390	0.8	428	0.8	403	0.8	331	0.7
2,109	3.7	1,990	3.8	1,892	3.8	1,839	3.5	1,749	3.7	1,314	2.7
2,410	4.4	2,351	4.5	2,272	4.5	2,128	4.0	2,117	4.5	2,145	4.3
722	1.3	230	0.4	388	0.8	540	1.0	538	1.1	—	—
168	0.3	—	—	—	—	65	0.1	—	—	220	0.4
4,673	8.6	4,752	9.2	4,352	8.7	7,272	13.8	4,373	9.2	6,456	13.1
<u>\$ 54,710</u>	<u>100.0</u>	<u>\$ 51,745</u>	<u>100.0</u>	<u>\$ 50,125</u>	<u>100.0</u>	<u>\$ 52,896</u>	<u>100.0</u>	<u>\$ 47,572</u>	<u>100.0</u>	<u>\$ 49,393</u>	<u>100.0</u>

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

Fiscal Year Ended June 30, 2018

(Amounts in millions)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Direct local aid.....	\$ 5,886	\$ 5,703	\$ 5,568	\$ 5,420	\$ 5,292	\$ 5,116	\$ 4,929	\$ 4,785	\$ 4,837	\$ 4,724
Medicaid	15,745	15,252	14,851	13,655	11,901	10,800	10,431	10,237	9,287	8,537
Other Health and Human Services.....	5,930	5,600	5,433	5,301	4,980	4,769	4,711	4,615	4,616	4,970
Elementary and Secondary Education	552	523	539	515	515	489	436	349	358	496
Higher Education	1,173	1,168	1,194	1,162	1,092	991	937	943	846	1,036
Early Education and Care	564	540	548	538	510	483	494	515	513	560
Public Safety and Security	1,102	1,060	1,066	1,041	1,010	960	930	905	1,053	1,224
Energy and Environmental Affairs	230	222	221	225	215	202	187	186	202	216
Post employment benefits.....	2,900	2,660	2,503	2,287	2,109	1,990	1,892	1,839	1,749	1,314
Group health insurance	1,634	1,663	1,630	1,665	1,403	1,278	1,206	1,130	1,064	973
Debt service	2,323	2,285	2,174	2,190	2,133	2,117	1,923	1,664	1,860	1,891
Major programs.....	38,039	36,676	35,727	33,999	31,160	29,195	28,076	27,168	26,385	25,941
Other program expenditures	3,113	3,235	3,241	3,326	3,294	3,007	2,899	2,851	2,999	2,762
Interfund transfers and other financing uses....	2,945	1,908	1,959	1,527	3,200	3,149	2,515	5,520	1,810	3,867
Total expenditures and other financing uses....	\$ 44,097	\$ 41,819	\$ 40,927	\$ 38,852	\$ 37,654	\$ 35,351	\$ 33,490	\$ 35,539	\$ 31,194	\$ 32,570

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

As of June 30, 2018

(Amounts in millions)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General obligation bonds	\$ 23,144	\$ 22,717	\$ 21,668	\$ 20,802	\$ 19,387	\$ 19,140	\$ 18,852	\$ 18,517	\$ 17,683	\$ 17,052
Grant anticipation notes*	748	738	657	700	531	449	610	766	991	1,134
Special obligation bonds	3,469	2,991	2,754	2,324	2,292	1,924	1,972	1,592	1,053	1,079
Commonwealth long-term bonds	<u>\$ 27,361</u>	<u>\$ 26,446</u>	<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>

*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, 2018

(Amounts in thousands)

				Totals	
	University of Massachusetts	State Universities and Colleges	Community Colleges	2018	2017
Revenues and other financing sources:					
Federal grants and reimbursements	\$ 297,417	\$ 60,836	\$ 159,260	\$ 517,513	\$ 515,589
Departmental revenue	1,491,102	585,416	403,145	2,479,663	2,296,093
Miscellaneous revenue	1,267,970	394,060	270,418	1,932,448	1,930,299
Total revenues and other financing sources	3,056,489	1,040,312	832,823	4,929,624	4,741,981
Expenditures and other financing uses					
(by MMARS subsidiary):					
AA Regular employee compensation	746,058	194,211	166,067	1,106,336	1,102,621
BB Regular employee related expenses	19,621	6,135	3,390	29,146	29,787
CC Special employees and contracted services	264,634	143,999	181,286	589,919	611,586
DD Pension and insurance	217,011	60,329	45,964	323,304	312,233
EE Administrative expenditures	245,595	79,617	29,779	354,991	326,700
FF Facility operational supplies	128,035	18,042	16,032	162,109	205,856
GG Energy costs and space rental	136,646	42,704	29,121	208,471	206,301
HH Consultant services	162,964	13,163	16,130	192,257	248,759
JJ Operational services	45,252	39,116	14,759	99,127	101,448
KK Equipment purchase	25,670	5,939	6,322	37,931	45,677
LL Equipment leases, maintenance and repair	28,231	8,942	6,628	43,801	42,058
MM Purchased client services and programs	35,977	3,552	3,666	43,195	43,979
NN Construction and improvements	134,819	40,286	24,463	199,568	198,189
PP Aid to local governments	—	79	3,164	3,243	5,490
RR Benefit programs	420,160	111,135	166,492	697,787	582,908
SS Debt payment	13,618	16,377	3,333	33,328	46,908
TT Loans and special payments	262,920	127,417	39,322	429,659	375,667
UU Information technology (IT) expenses	88,540	30,986	29,082	148,608	149,066
Total expenditures and other financing uses	2,975,751	942,029	785,000	4,702,780	4,635,233
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	80,738	98,283	47,823	226,844	106,748
Fund balance at beginning of year	988,754	487,968	356,695	1,833,417	1,726,669
Fund balance at end of year	<u>\$ 1,069,492</u>	<u>\$ 586,251</u>	<u>\$ 404,518</u>	<u>\$ 2,060,261</u>	<u>\$ 1,833,417</u>

Note: Details might not add up due to rounding

University of Massachusetts
Combining Higher Education Non-Appropriated Activity - Statutory Basis
Fiscal Year Ended June 30, 2018
(Amounts in thousands)

	Totals	
	2018	2017
Revenues and other financing sources:		
Federal grants and reimbursements	\$ 297,417	\$ 303,622
Departmental revenue	1,491,102	1,431,375
Miscellaneous revenue	1,267,970	1,230,322
Total revenues and other financing sources	3,056,489	2,965,319
Expenditures and other financing uses (by MMARS subsidiary):		
AA Regular employee compensation	746,058	733,701
BB Regular employee related expenses	19,621	20,361
CC Special employees and contracted services	264,634	266,341
DD Pension and insurance	217,011	212,942
EE Administrative expenditures	245,595	207,941
FF Facility operational supplies	128,035	168,253
GG Energy costs and space rental	136,646	136,233
HH Consultant services	162,964	219,420
JJ Operational services	45,252	47,172
KK Equipment purchase	25,670	30,563
LL Equipment leases, maintenance and repair	28,231	27,189
MM Purchased client services and programs	35,977	37,355
NN Construction and improvements	134,819	136,105
RR Benefit programs	420,160	317,676
SS Debt payment	13,618	26,873
TT Loans and special payments	262,920	213,949
UU Information technology (IT) expenses	88,540	87,400
Total expenditures and other financing uses	2,975,751	2,889,474
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses	80,738	75,845
Fund balance at beginning of year	988,754	912,909
Fund balance at end of year	<u>\$ 1,069,492</u>	<u>\$ 988,754</u>

Note: Details might not add up due to rounding

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

Fiscal Year Ended June 30, 2018

(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.....	\$ 16,023	\$ 6,712	\$ 8,434	\$ 2,688
Departmental revenue	137,029	54,148	60,606	33,656
Miscellaneous revenue	93,236	62,004	26,181	24,273
Total revenues and other financing sources	246,288	122,864	95,221	60,617
Expenditures and other financing uses (by MMARS subsidiary):				
AA Regular employee compensation	78,040	11,960	18,597	11,293
BB Regular employee related expenses	1,417	453	464	379
CC Special employees and contracted services	44,217	10,966	15,020	6,273
DD Pension and insurance	26,849	3,828	6,339	818
EE Administrative expenditures	5,601	43,710	2,840	2,401
FF Facility operational supplies	1,742	1,314	1,688	1,340
GG Energy costs and space rental	5,219	3,812	4,524	2,266
HH Consultant services	1,932	1,013	1,048	1,926
JJ Operational services.....	12,414	6,698	1,886	2,570
KK Equipment purchase.....	1,183	613	545	455
LL Equipment leases, maintenance and repair	2,296	713	913	346
MM Purchased client services and programs.....	1,854	434	260	—
NN Construction and improvements	5,126	4,453	5,748	8,466
PP Aid to local governments	—	—	—	—
RR Benefit programs.....	29,884	9,723	10,676	10,395
SS Debt payment	1,866	423	—	—
TT Loans and special payments.....	18,064	24,797	18,335	9,081
UU Information technology (IT) expenses	5,589	4,283	3,629	1,510
Total expenditures and other financing uses	243,293	129,193	92,512	59,519
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses.....	2,995	(6,329)	2,709	1,098
Fund balance at beginning of year	34,581	63,615	48,224	14,864
Fund balance at end of year	\$ 37,576	\$ 57,286	\$ 50,933	\$ 15,962

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	
					2018	2017
\$ 1,343	\$ 3,144	\$ 13,093	\$ 454	\$ 8,945	\$ 60,836	\$ 56,969
42,612	22,088	81,106	64,535	89,636	585,416	471,319
13,787	14,071	94,093	23,566	42,849	394,060	406,368
57,742	39,303	188,292	88,555	141,430	1,040,312	934,656
8,853	8,664	30,141	4,268	22,395	194,211	193,115
1,153	511	369	734	655	6,135	5,895
8,774	7,494	17,794	9,025	24,436	143,999	140,459
1,346	1,055	10,389	1,111	8,594	60,329	57,257
1,239	2,034	16,215	3,334	2,243	79,617	82,988
1,480	413	3,285	2,228	4,552	18,042	18,731
1,669	1,911	5,995	11,947	5,361	42,704	41,970
1,123	1,132	1,381	1,860	1,748	13,163	12,420
8,891	3,574	1,372	1,177	534	39,116	38,354
558	231	391	517	1,446	5,939	6,098
1,678	97	453	1,470	976	8,942	8,607
—	—	507	—	497	3,552	4,108
2,223	831	3,390	4,429	5,620	40,286	40,545
—	79	—	—	—	79	93
1,508	6,404	18,599	12,310	11,636	111,135	101,102
—	732	543	696	12,117	16,377	16,210
8,796	2,926	14,401	772	30,245	127,417	121,936
3,030	1,055	5,530	1,935	4,425	30,986	31,413
52,321	39,143	130,755	57,813	137,480	942,029	921,301
5,421	160	57,537	30,742	3,950	98,283	13,355
14,117	13,912	23,748	205,343	69,564	487,968	474,613
\$ 19,538	\$ 14,072	\$ 81,285	\$ 236,085	\$ 73,514	\$ 586,251	\$ 487,968

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

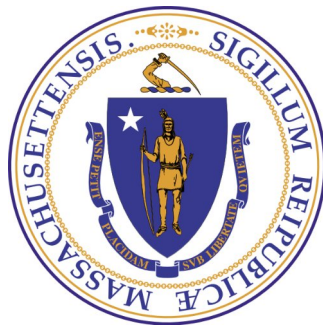
Fiscal Year Ended June 30, 2018

(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.....	\$ 3,992	\$ 23,704	\$ 17,333	\$ 5,240	\$ 3,262	\$ 11,114	\$ 16,510
Departmental revenue	7,435	56,369	36,731	11,448	10,997	13,316	35,898
Miscellaneous revenue	7,385	34,124	28,682	16,877	5,512	18,417	21,341
Total revenues and other financing sources	18,812	114,197	82,746	33,565	19,771	42,847	73,749
Expenditures and other financing uses							
(by MMARS subsidiary):							
AA Regular employee compensation	2,223	39,951	12,858	5,558	3,928	7,207	12,488
BB Regular employee related expenses	147	233	306	192	17	344	138
CC Special employees and contracted services.....	5,556	18,271	27,827	11,009	5,611	8,768	19,985
DD Pension and insurance	840	3,395	4,762	2,481	1,349	2,335	4,521
EE Administrative expenditures	1,142	3,243	1,606	1,657	959	1,636	2,056
FF Facility operational supplies	425	1,241	921	429	239	1,286	1,333
GG Energy costs and space rental.....	717	4,146	3,670	1,924	944	2,037	1,178
HH Consultant services.....	400	1,253	1,138	353	373	639	1,892
JJ Operational services.....	620	1,689	959	550	256	1,010	522
KK Equipment purchase.....	161	794	436	87	89	354	230
LL Equipment leases, maintenance and repair	143	603	298	153	136	167	584
MM Purchased client services and programs.....	13	881	529	—	6	14	288
NN Construction and improvements	421	5,348	3,446	494	309	1,538	1,555
PP Aid to local governments	—	—	251	—	69	289	1,995
RR Benefit programs.....	1,882	25,016	17,270	6,610	4,188	13,491	11,803
SS Debt payment	16	245	—	—	—	247	961
TT Loans and special payments.....	3,321	—	3,129	—	147	1	5,955
UU Information technology (IT) expenses	974	5,876	1,617	1,172	592	2,787	2,964
Total expenditures and other financing uses	19,001	112,185	81,023	32,669	19,212	44,150	70,448
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses.....	(189)	2,012	1,723	896	559	(1,303)	3,301
Fund balance at beginning of year	3,082	23,436	12,668	22,844	2,127	15,037	34,914
Fund balance at end of year	<u>\$ 2,893</u>	<u>\$ 25,448</u>	<u>\$ 14,391</u>	<u>\$ 23,740</u>	<u>\$ 2,686</u>	<u>\$ 13,734</u>	<u>\$ 38,215</u>

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	
								2018	2017
\$ 4,732	\$ 17,817	\$ 1,037	\$ 10,343	\$ 13,275	\$ 14,053	\$ 4,765	\$ 12,083	\$ 159,260	\$ 154,998
20,289	37,216	26,376	40,476	30,578	46,167	73	29,776	403,145	393,399
16,490	28,445	16,761	23,914	15,030	5,956	16,184	15,300	270,418	293,609
41,511	83,478	44,174	74,733	58,883	66,176	21,022	57,159	832,823	842,006
2,599	11,470	20,976	13,770	21,484	9,643	158	1,754	166,067	175,805
125	542	173	315	157	50	32	619	3,390	3,531
6,751	17,258	9,089	16,126	7,637	14,226	3,723	9,449	181,286	204,786
845	11,283	3,202	4,954	2,149	3,005	60	783	45,964	42,034
2,059	1,540	2,072	1,628	1,220	2,487	3,600	2,874	29,779	35,771
542	1,563	895	1,325	2,345	1,074	496	1,918	16,032	18,872
2,180	2,408	353	2,783	1,184	3,397	563	1,637	29,121	28,098
724	1,426	1,135	346	1,186	1,625	1,169	2,471	16,130	16,919
—	2,441	967	2,203	230	1,041	920	1,351	14,759	15,922
—	400	242	501	179	1,226	606	1,017	6,322	9,016
—	1,638	435	333	160	523	131	1,324	6,628	6,262
222	—	815	325	160	—	—	413	3,666	2,516
2,119	—	3,537	1,564	1,309	715	929	1,179	24,463	21,539
—	—	173	—	387	—	—	—	3,164	5,397
9,307	368	1,083	23,864	11,860	16,471	6,552	16,727	166,492	164,130
24	—	311	334	1,195	—	—	—	3,333	3,825
—	20,380	—	558	—	3,831	2,000	—	39,322	39,782
2,310	1,153	55	2,333	2,698	4,007	477	67	29,082	30,253
29,807	73,870	45,513	73,262	55,540	63,321	21,416	43,583	785,000	824,458
11,704	9,608	(1,339)	1,471	3,343	2,855	(394)	13,576	47,823	17,548
20,231	13,643	9,540	5,563	12,672	9,692	21,201	150,045	356,695	339,147
\$ 31,935	\$ 23,251	\$ 8,201	\$ 7,034	\$ 16,015	\$ 12,547	\$ 20,807	\$ 163,621	\$ 404,518	\$ 356,695



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