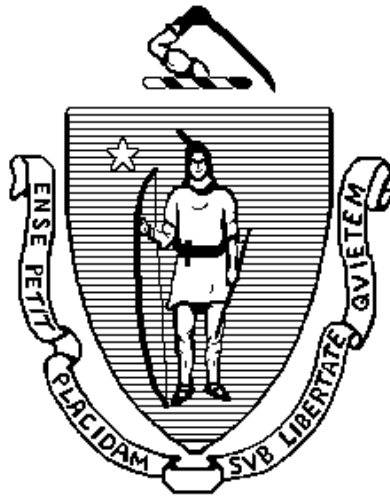


# Commonwealth of Massachusetts



## Statutory Basis Financial Report

*For the Fiscal Year Ended June 30, 2012*

Martin J. Benison, CGFM  
*Comptroller of the Commonwealth*

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

This Document is available at the Comptroller's website: [www.mass.gov/osc](http://www.mass.gov/osc)

Cranberry Harvest, Nantucket, MA

Photography courtesy of Massachusetts Office of Travel & Tourism.

Photographer, Michael Galvin

# Statutory Basis Financial Report

For the Fiscal Year Ended June 30, 2012

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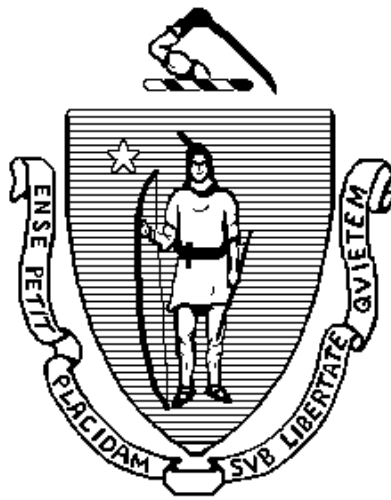
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# *Introductory Section*



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



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

*October 23, 2012*

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

I am pleased to present to you the Statutory Basis Financial Report (SBFR) of the Commonwealth for the fiscal year ended June 30, 2012 (FY12).

As of June 30, 2012, the Commonwealth had a budgeted fund balance of approximately \$1.990 billion and completed the fiscal year with a consolidated net surplus of \$301 million, sufficient to meet statutory requirements, as set out in the FY12 final supplemental appropriations bill, for \$147 million to be carried forward as an undesignated balance in the General Fund in FY13 (1/2 of 1% of FY12 tax revenue collections plus \$40 million), a total deposit of approximately \$118 million to the Stabilization Fund (also known as the “Rainy Day Fund”), and \$15 million to be transferred to the Massachusetts Life Sciences Investment Fund, \$20 million to be transferred to the Health Care Workforce Transformation Trust Fund and \$3 million to be distributed to the City of New Bedford Public Schools. The total budgeted fund balance of \$1.990 billion reflects a budgetary gain (a surplus of revenues and other financing sources over expenditures and other financing uses) of approximately \$89 million, added to the FY12 beginning balance of \$1.901 billion. Of the total budgeted fund balance, \$1.652 billion is reserved in the Stabilization Fund, compared to \$1.379 billion at the end of FY11. At the end of FY12, \$170 million is reserved for continuing appropriations and debt service into fiscal year 2013. The remaining undesignated balance of \$167 million is made up of the \$147 million statutorily required carryforward in the General Fund and other smaller fund balances.

In FY12, the Commonwealth used \$486 million in funds it received from the federal American Recovery and Reinvestment Act (ARRA) (virtually none of it in the budgeted funds); in FY13, ARRA funds are expected to total \$175 million to \$200 million.

During FY12, budgeted fund tax revenues increased by \$549 million, or 2.9% from FY11, as the economy continued its moderate recovery. Income taxes increased by \$335 million, or 2.9%, from FY11, and sales and use taxes increased by \$159 million, or 3.2%. Total budgeted fund revenues and other financing sources decreased by \$529 million, or 1.6%.

In FY12, there were approximately \$669 million in one-time revenues used to balance the Commonwealth’s budget, down from

approximately \$2.0 billion in one-time FY11 solutions. Significant FY12 use of one-time resources included:

- \$202 million in FY11 resources (prior appropriations continued) used to support ongoing FY12 costs;
- \$200 million in Stabilization Fund reserves;
- \$85 million in one-time unclaimed property transfers;
- \$46 million in additional revenues from a delay in the implementation of the so-called FAS 109 corporate tax deduction;
- \$43 million in one-time transfers from Commonwealth trust accounts;
- \$37 million from the use of Commonwealth Care Reserves;
- \$26 million in one-time contributions from quasi-public entities;
- \$29 million in tax settlements that were used to make FY12 one-time Medicaid payments to certain Massachusetts hospitals;
- \$1 million generated from the sale of assets.

An additional \$375 million in one-time tax settlements was also received in FY12, but these settlements were deposited directly to the Stabilization Fund (and not used to balance the FY12 budget), in accordance with legislation requiring that individual settlements in excess of \$10 million be transferred to the “Rainy Day Fund”.

During FY12, the Commonwealth also transferred \$10 million in investment income earned by the Stabilization Fund to the General Fund.

As the Commonwealth continued its emergence from a recession that ended nationally in June 2009, employment in the Commonwealth continued to grow in FY12. Between June 2011 and June 2012, on a seasonally adjusted basis, Massachusetts employment grew by 38,500, or 1.2%, compared to employment growth of 1.3% for the United States as a whole over the same period. (Updated information from economists at Northeastern University and the Federal Reserve Bank of Boston indicate that the official numbers for both U.S. and Massachusetts employment understate employment growth significantly. Employment numbers using the updated information will be revised by the federal Bureau of Labor Statistics in the spring of 2013.) In June 2012, the Massachusetts unemployment rate was 6.0%, compared to 8.2% nationally.

The General Appropriation Act for FY13 is based on a consensus tax revenue estimate of approximately \$21.950 billion, of which approximately \$18.902 billion represents taxes available for budget after adjusting for \$3.048 billion in tax revenue that is allocated to state pension contributions (\$1.552 billion), sales tax revenue dedicated to the Massachusetts Bay Transportation Authority (\$787 million) and the Massachusetts School Building Authority (\$689 million, subsequently adjusted to \$703 million) and revenue transferred to the non-budgetary



fund Workforce Training Fund (\$20 million). FY13 revenues available for budget were further adjusted to \$18.962 billion as result of several tax law changes included in the enacted FY13 budget or enacted soon after that budget was passed.

As of September 30, 2012, FY13 tax collections were \$95 million below the year-to-date benchmark based on the \$18.962 billion estimate. On October 15, 2012 the Executive Office for Administration and Finance reaffirmed the FY13 tax revenue estimate of taxes available for budget of \$18.962 billion.

### ***Overview of the Financial Statements***

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

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

The SBFR is intended to satisfy the requirements of state finance law and to present fairly the results of FY12 activity in the Commonwealth's funds. The report contains computations required by state finance law, including the certification of transfers to and balances in the Stabilization Fund and Tax Reduction Fund.

### ***Basis of Accounting***

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

In accordance with Section 12 of Chapter 7A of the Massachusetts General Laws, as amended, the Office of the Comptroller is required to transmit the SBFR by October 31<sup>st</sup>. The SBFR for the fiscal year ended June 30, 2012 herein is reviewed, not audited, by KPMG LLP and represents the closing of the Commonwealth's books for the fiscal year.

**American Recovery and  
Reinvestment Act  
Expenditures of Federal  
Award Activity for FY2011  
and FY2012  
(Amounts in thousands)**

By Funding Category	FY2011	FY2012
Agriculture.....	\$ 4,980	\$ 2,608
Department of defense.....	531	-
Housing and urban development.....	48,790	10,632
Justice.....	7,496	2,987
Labor.....	145,393	6,488
Transportation.....	167,051	74,768
US Treasury.....	58,802	9,945
National institute for arts & humanities...	9	-
National science foundation.....	225	161
EPA.....	9,838	969
Energy.....	75,230	53,229
Education.....	533,090	201,010
Health and human services.....	1,308,647	123,435
Homeland security.....	685	-
<b>Total by funding category.....</b>	<b>\$ 2,360,767</b>	<b>\$486,232</b>

By Fund Type	FY2011	FY2012
Budgeted funds.....	\$ 1,268,817	\$ 22
Non-budgeted special revenue funds *	808,544	395,978
Capital projects funds.....	1,370	456
Agency funds**.....	3,204	-
Unemployment benefits**.....	107,832	-
MassDOT.....	171,000	89,776
<b>Total by fund type.....</b>	<b>\$ 2,360,767</b>	<b>\$486,232</b>

\* Resulted in expenditure reduction in the general fund in FY2011  
 \*\* Not included in this report

**American Recovery and Reinvestment Act (ARRA)**

For the year ended June 30, 2012 ARRA funds received by the Commonwealth totaled \$486 million, virtually all of it in the non-budgetary funds.

In many respects ARRA has triggered a re-examination of governmental interaction with its citizens nationwide. ARRA requires heightened scrutiny of processes, policies and procedures, achieving a new level of transparency. The Commonwealth has exceeded the reporting requirements of ARRA in building a citizen-focused, transparent website to disclose not only ARRA activities, but all federal activities and results, and in FY12 began a staged roll-out of its transparency website. Information can be found at <http://www.mass.gov/recovery> for daily updates on how ARRA is benefiting the Commonwealth.

**Lottery**

In FY12, the Commonwealth transferred approximately \$834 million to municipalities in so-called Unrestricted General Government Aid (formerly called Lottery Aid) from Lottery profits. In addition, \$65 million in non-education local aid was distributed to municipalities in FY12 in accordance with the FY11 final supplemental appropriations bill. The total of \$899 million in non-education local aid was equal to FY11 Unrestricted General Government Aid.

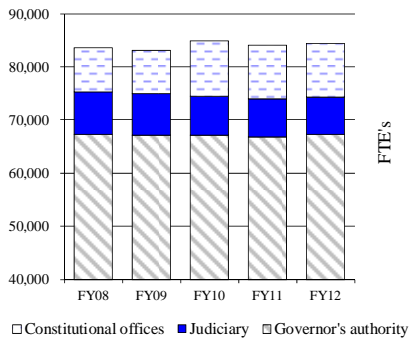
Gross Lottery revenues (including the Arts Lottery) increased from \$4.633 billion in FY11 to \$4.942 billion in FY12, or 6.7%. Lottery profits, after deducting administrative expenses and fringe benefit charges reimbursed to the Commonwealth's General Fund, totaled \$984 million, an increase of \$96 million, or 10.8%, from FY11.

The FY13 General Appropriation Act contains provisions for \$899 million in unrestricted general government aid, equal to the amount distributed in FY12.

**Full-Time Equivalent Employment**

The chart to the left shows the Commonwealth's full-time equivalent employment (including MassDOT) for all state funding sources (budgetary, non-budgetary, capital, federal and trust) over the past five fiscal years. In FY12, the number of Commonwealth FTEs increased by approximately 400, to a total of 84,462. However, since FY08 the number of FTEs on the Commonwealth's payroll has dropped significantly after adjusting for shifts in the way certain FTEs are accounted for and for entities that were absorbed by the state in FY09 and FY10. In FY09, the state switched approximately 2,500 Higher Education employees to the Commonwealth's payroll system. In FY10, approximately 1,330 employees of the former Massachusetts Turnpike Authority and the Tobin Bridge were transferred to the Massachusetts Department of Transportation (MassDOT). Also in FY10, the sheriff departments of Barnstable, Bristol, Dukes, Nantucket, Norfolk, Plymouth and Suffolk were brought onto the state's accounting and payroll systems, with approximately 2,770 employees. These increases

**Full Time Equivalent Workforce  
Including Higher Education  
June 2008 – June 2012**

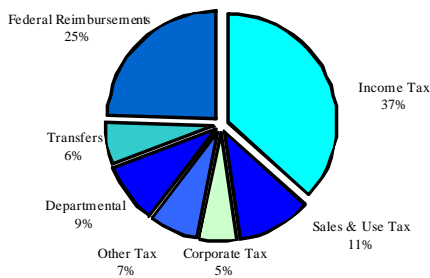


were offset by reductions in state employment due to a combination of employee attrition and layoffs, as the state responded to lower tax revenues caused by the recession. Adjusting for the 6,600 employees brought onto the state payroll system as a result of these accounting changes and reorganizations, state employment levels dropped by a total of approximately 5,800 FTEs between June 30, 2008 and June 30, 2012.

***The Budgeted Funds***

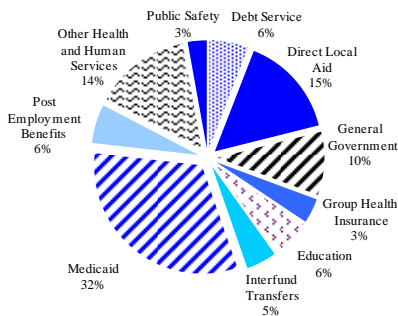
The FY12 General Appropriation Act (GAA) authorized approximately \$30.044 billion in spending, exclusive of approximately \$1.478 billion in required pension contributions and \$381 million in FY11 spending authorized to be continued into FY12 as part of FY11 end of year supplemental budgets.

***Budgeted Revenues and Other Sources***



The FY12 budget as enacted by the Legislature was based on a FY12 consensus tax revenue estimate of \$20.525 billion, of which approximately \$17.569 billion represented taxes available for budget after adjusting for \$2.956 billion in tax revenue allocated to the Massachusetts Bay Transportation Authority (\$779 million), the School Modernization And Reconstruction Trust Fund (\$678 million), the Pension Reserves Investment Trust Fund (\$1.478 billion) and the Workforce Training Fund (\$20 million), which was converted from a budgetary to non-budgetary fund effective July 1, 2011. FY12 revenues available for budget were further adjusted to \$17.682 billion as a result of several tax law changes that were part of the FY12 budget. The FY12 tax revenue estimate was revised upward to \$21.010 billion (with \$18.167 billion available for budget) in October 2011 as tax revenues had performed above benchmark in the first quarter of FY12. Tax revenues ended the year \$105 million above the final FY12 tax estimate.

***Budgeted Expenditures and Other Uses***



Approximately \$493 million in supplemental appropriations were authorized during FY12 prior to June 30, 2012. Subsequent to year end, an additional supplemental budget was enacted totaling approximately \$47 million in new FY12 appropriations, all of which were continued to FY13 and reappropriated. The year’s significant supplemental appropriation activity included approximately:

- \$187 million for the Delivery System Transformation Initiative, which will provide funding to safety net hospitals carrying out delivery-of-care transformation initiatives;
- \$40 million for family shelters;
- \$35 million for MassHealth (Medicaid) senior care;
- \$30 million for information technology consolidation in the executive branch;
- \$28 million for additional private counsel compensation for indigent clients;
- \$27 million for short term housing transitional programs;
- \$26 million to pay for the cleanup costs of Hurricane Irene and the October 2011 snow storm;

- \$21 million for home heating assistance;
- \$11 million for MassHealth fee for service programs;
- \$11 million for providing Supplemental Security Income.

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) declined by \$529 million, or 1.6%, in FY12. While tax revenue grew by \$549 million, or 2.9%, as a result of continuing growth in the economy, federal reimbursements declined by \$1.328 billion, or 14.3%, as the American Recovery and Reinvestment Act wound down and budgeted revenues under that program dropped by more than \$1.269 billion. Interfund transfers from non-budgeted funds increased by \$241 million, or 13.6%, due primarily to transfers of increased Lottery profits to the General Fund.

Budgeted expenditures and other financing uses, including transfers to non-budgeted funds (but before transfers between the budgeted funds) increased by \$380 million, or 1.2%, from FY11, much slower growth than in recent years, as health care spending, which is one of the most important drivers of the Commonwealth budget, slowed.

Spending on programs and services grew by \$644 million, or 2.4%. Medicaid expenditures grew by \$194 million, or only 1.9%, from \$10.237 billion in FY11 to \$10.431 billion in FY12, the slowest percentage growth since FY97, as the Commonwealth implemented savings initiatives, including reduced rates for providers, reprocurement of services for behavioral health services, revised capitation rates for contracted managed care organizations, a change in hospital readmissions payment policies, increased co-payments slightly and enhanced program integrity measures to ensure that members are eligible for services and using them in proper settings.

Debt service grew by \$259 million, or 15.6%, as FY11 savings from a debt restructuring were not repeated in FY12. Interfund transfers to non-budgeted funds (primarily the Universal Health Care funds) fell by \$577 million or 28.0%, as FY11 one-time universal healthcare-related expenditures were not repeated in FY12. Post-employment benefits grew by \$53 million, or 2.9%, with pension contributions growing by 2.5% from FY11 and state employee and retiree health insurance costs increasing by 3.8%. Spending for direct local aid (both education aid and unrestricted aid), at \$4.929 billion, was up \$145 million, or 3.0%, from FY11.

The Budgeted Funds – Operations table on page 7 displays the FY12 summary of budgeted funds compared to FY11. The FY12 financial statements for each of the ten active individual budgeted funds are included in the financial section of this report.

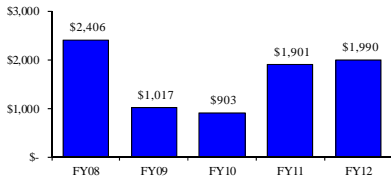
In conducting the budget process, the Commonwealth excludes from its forecast those “interfund” transactions within the budgeted funds that are included in this report; these transactions by their nature have no impact on the combined fund balance of the budgeted funds. The table Budgeted Funds – Operations isolates this “interfund” activity

from the budgeted sources and uses to align forecasts prepared during the budget process to actual amounts in this report. In FY12, transfers among the Budgeted Funds decreased, primarily as a result of a reduction in transfers to and from the Temporary Holding Fund and 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)**

	2011	2012
Beginning fund balances:		
Reserved and designated.....	\$ 121,959	\$ 400,061
Reserved for stabilization fund.....	669,803	1,379,071
Undesignated.....	111,316	121,687
Total.....	903,078	1,900,819
Revenues and other financing sources:		
Taxes.....	19,094,935	19,643,721
Federal reimbursements.....	9,299,546	7,971,705
Departmental and other revenues.....	2,912,270	2,921,388
Interfund transfers from non-budgeted funds and other financing sources..	1,768,582	2,009,733
Budgeted revenues and other financing sources.....	33,075,333	32,546,547
Intragovernmental service fund revenues.....	286,079	295,794
Interfund transfers among budgeted funds and other financing sources.....	3,174,854	736,512
Total revenues and other financing sources.....	36,536,266	33,578,853
Expenditures and other financing uses:		
Programs and services.....	26,515,830	27,159,830
Debt service.....	1,663,876	1,923,154
Post employment benefits.....	1,838,857	1,892,326
Interfund transfers to non-budgeted funds and other financing uses.....	2,059,019	1,482,330
Budgeted expenditures and other financing uses.....	32,077,582	32,457,640
Intragovernmental service fund expenditures.....	286,079	295,794
Interfund transfers among budgeted funds and other financing uses.....	3,174,854	736,512
Total expenditures and other financing uses.....	35,538,515	33,489,946
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	997,751	88,907
Ending fund balances:		
Reserved and designated.....	400,061	170,467
Reserved for stabilization fund.....	1,379,071	1,652,118
Undesignated.....	121,687	167,141
Total.....	\$ 1,900,819	\$ 1,989,726

**Budgeted Funds – Fund Balance  
(Amounts in Millions)**



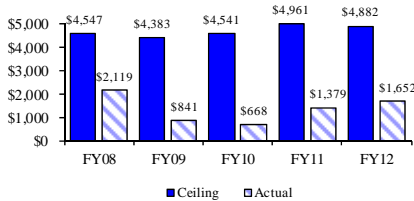
The graph of Budgeted Funds – Fund Balance on the left portrays the combined fund balance in the budgeted funds for the past five years.

At June 30, 2012, the ending balance is comprised mainly of the statutory fund balance of the General Fund and the Stabilization Fund. Due to designations of fund balances, \$170 million of the total budgeted fund balance, exclusive of the Stabilization Fund, is reserved for appropriations and debt service in FY13. The remainder is undesignated.

*The Stabilization Fund*

As states around the country continue to struggle with ongoing fiscal challenges, the importance of the Stabilization Fund cannot be overstated. State fiscal conditions improved during FY12, according to the National Association of State Budget Officers’ (NASBO) publication *The Fiscal Survey of the States: Spring 2012*, with only eight states reporting a total of \$1.7 billion in enacted mid-year budget cuts for fiscal 2012, compared with 19 states enacting \$7.4 billion in mid-year budget cuts in fiscal 2011 and 39 states enacting \$18.3 billion in cuts in fiscal 2010. As ARRA revenues were phased out and tax revenue growth slowed in the Commonwealth during FY12, Massachusetts drew on \$200 million in Stabilization Fund transfers to maintain budget balance. In addition, \$10 million of investment income was transferred from the Stabilization Fund to the General Fund per the FY12 budget, and per legislation that authorized expanded gaming in the Commonwealth, \$20 million was transferred from the Stabilization Fund to the General Fund and newly established Gaming Fund to finance the startup of the Commonwealth’s new Gaming Commission and the negotiation of a gaming compact with Native American tribes. However, these FY12 transfers from the Stabilization Fund were more than offset by \$375 million in transfers to the Stabilization Fund from the General Fund in accordance with a new statutory requirement enacted in the FY12 budget which mandated that any settlements in excess of \$10 million be deposited directly to the Stabilization Fund.

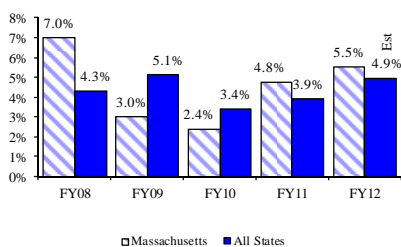
**Stabilization Fund Balance  
(Amounts in Millions)**



In addition, the FY12 final supplemental appropriations bill mandated that prior to making the FY12 end of year Stabilization Fund deposit, the Comptroller transfer \$15 million to the Massachusetts Life Sciences Investment Fund, \$20 million to the Health Care Workforce Transformation Trust Fund, \$3 million to City of New Bedford Public Schools and carry forward \$40 million in the General Fund for use in FY13. After those transfers, a residual balance of \$117 million was deposited in the Stabilization Fund, bringing its balance to \$1.652 billion, meaning that the Stabilization Fund balance grew by \$273 million in FY12. For FY13, the General Appropriation Act authorizes that \$350 million be drawn from the Stabilization Fund and mandates that all investment income earned by the Stabilization Fund be transferred to the General Fund.

The chart on the left shows that the Stabilization Fund balance declined rapidly between FY08 through FY10 as the recession caused reductions in revenues and increased costs for safety net programs, but increased by more than \$709 million in FY11 and an additional \$273 million in

**Stabilization Fund Percentage of Budget Compared To Other States**



FY12. *The Fiscal Survey of the States* ranked the Commonwealth third in the nation at the end of FY11 (the most recent year for which final stabilization fund balances were available for all states) in terms of the total balance in the Stabilization Fund. Fourteen states had no stabilization fund balance at the end of FY11. Of the states with over \$10 billion in General Fund expenditures for FY11, the Commonwealth’s Stabilization Fund balance as a percentage of General Fund expenditures ranked third in the nation. The FY12 estimates released by NASBO in June 2012, together with the results reported in this SBFR, indicate that Massachusetts’s Stabilization Fund balance of \$1.652 billion, or 5.5% of General Fund expenditures, will rank second in the nation in absolute size as well as second in the nation as a percentage of expenditures for states with over \$10 billion in expenditures (behind only Texas by both measures). The chart on the left shows that Stabilization Fund balances as a percentage of total expenditures in the Commonwealth is now higher than the 4.9% estimated average balance for all states. Because the national calculation is skewed by Alaska and Texas (whose revenue streams have benefited from strong oil revenues in recent years and which together accounted for more than half of all stabilization fund balances in FY12), Massachusetts’s relative Stabilization Fund balance compared to other states is even stronger than it first appears. A better measure of relative performance is the median percentage of Stabilization Fund balances as a percent of total expenditures, which factors out extreme values. By that measure, Massachusetts’s Stabilization Fund balance of 5.5% of General Fund expenditures was higher than the estimated national median of 1.9% of expenditures.

**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 FY12, the Commonwealth maintained 75 non-budgeted funds, while another 16 were inactive.

The largest non-budgeted funds in terms of revenues include the Lottery Fund, the Federal Grants Fund and the Commonwealth Care Trust Fund. Other funds that show large inflows include the MBTA State and Local Contribution Trust Fund, the School Modernization Trust Fund and the Grant Anticipation Notes Trust Fund, which are financed by transfers of tax revenues and grant receipts.

The table Non-Budgeted Funds – Operations on page 10 includes a summary of the FY12 non-budgeted funds. A Statement of Revenues, Expenditures and Changes in Fund Balance is presented in a table within this report for each of the individual non-budgeted funds in the financial section of this report.

As previously discussed, the State Lottery Funds ended the year with a profit of \$978 million, with \$834 million of that amount transferred to cities and towns as unrestricted local aid and the remaining \$144 million transferred to the General Fund. (An additional \$65 million was allocated to non-education local aid from the General Fund as part of the FY11 final supplemental appropriations bill, but paid in FY12.)

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

	2011*	2012*
Beginning fund balance (restated).....	\$ 1,813,232	\$ 1,799,478
Revenues and other financing sources:		
Taxes.....	1,680,656	1,739,826
Assessments.....	517,048	526,540
Federal grants and reimbursements.....	3,779,789	3,534,718
Tobacco settlement revenue.....	248,741	253,628
Departmental and miscellaneous.....	5,587,101	5,983,708
Transfers and other financing sources.....	2,564,908	1,602,304
Total revenues and other financing sources.....	<u>14,378,243</u>	<u>13,640,724</u>
Expenditures and other financing uses:		
Programs and services.....	11,753,930	10,941,810
Debt service.....	456,797	230,357
Transfers and other financing uses.....	2,181,270	2,208,574
Total expenditures and other financing uses.....	<u>14,391,997</u>	<u>13,380,741</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	<u>(13,754)</u>	<u>259,983</u>
Ending fund balance (restated).....	<u>\$ 1,799,478</u>	<u>\$ 2,059,461</u>

\*as restated, and more fully disclosed in footnote 20

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

- Commonwealth Care Trust Fund – a \$28 million operating deficit;
- Central Artery / Tunnel Project Maintenance Trust Fund – a \$17 million operating deficit.

The Health Care Security Trust (HST) continues to report all revenues received from the Master Settlement Agreement (MSA) between the states and the tobacco industry to recover healthcare costs for tobacco-related illnesses. The MSA provides for three sets of payments to the states: Initial Payments in 1999-2003; Annual Payments starting in April 2000 and running in perpetuity; and Strategic Contribution Payments from 2008-2017. The MSA estimates Commonwealth revenues for the first 25 years of the settlement to be approximately \$8.962 billion, including Strategic Contribution Payments. However, this estimate is subject to future adjustments, including adjustments for inflation and changes in the volume of domestic cigarette sales. In FY12, the Commonwealth received \$254 million, an increase of \$5 million from FY11. The \$254 million represented approximately 68.5% of the estimated amounts shown in the MSA. The FY12 General Appropriation Act directed all MSA receipts to the General Fund. Beginning in FY13, 10.0% of tobacco settlement payments will be deposited in the State Retiree Benefits Trust Fund (SRBTF) to fund the Commonwealth's liability for retiree health care. The portion of the

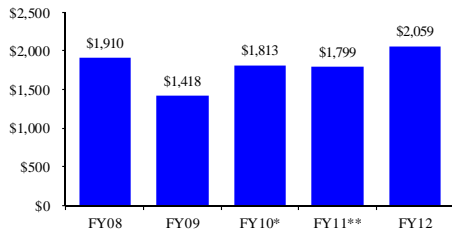


annual tobacco settlement payments dedicated to the SRBTF will increase 10% per year until it reaches 100% in FY23.

Again in FY12, \$156 million of the Commonwealth's federal transportation funds were dedicated to paying off prior year expenditures of the Central Artery/Tunnel Project (CA/T), which were temporarily financed through Federal Grant Anticipation Notes (GANS). In addition, \$32 million in interest payments for the GANS was funded by a General Fund appropriation.

For the Universal Health Care funds, including the Commonwealth Care Trust Fund, Medical Assistance Trust Fund, Health Safety Net Trust Fund, Delivery System Transformation Initiatives Trust Fund, Money Follows the Person Rebalancing Demonstration Grant Trust Fund, Medical Security Trust Fund and Catastrophic Illness in Children Relief Fund, all of which are largely related to health care reform, revenues and other financing sources were nearly \$1.953 billion in FY12, a decrease of approximately \$515 million from FY11. This decline was due primarily to decreased transfers of \$124 million to the Commonwealth Care Trust Fund and \$665 million to the Medical Assistance Trust Fund. In addition, Chapter 118, Section 2E, Acts of 2012, authorized a transfer of \$187 million to the Delivery System Transformation Initiatives Trust Fund.

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



\*FY10 balances were restated to include operations of three MassDOT funds as reported on MMARS  
 \*\*FY11 as restated, and more fully disclosed in footnote 20

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

As noted in previous years' reports, the Government Land Bank Fund has a chronic structural fund deficit. The FY12 deficit balance of approximately \$35 million remains an unbudgeted drain on the Commonwealth's General Fund. While steps have been taken to stop the growth in this deficit, the Fund should be abolished and the deficit transferred to the General Fund. As explained in previous years' financial reports, more consolidation and elimination is needed for the non-budgeted special revenue funds generally.

***The Capital Projects Funds***

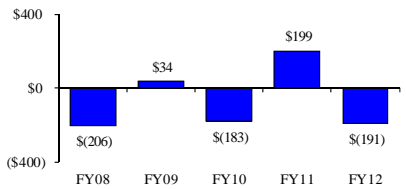
The purpose of these funds is to account for the construction or acquisition of capital assets. The Governor may propose capital outlay budgets, which, upon enactment by the Legislature and approval by the Governor, become capital outlay acts. Capital outlay acts financed through the sale of debt require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

The structure of these funds is such that each capital outlay authorization is in balance, creating authorization for inflows (which may be from sales of bonds, federal reimbursements or other revenues) and authorization for expenditures. Imbalances due to timing differences develop when the expenditure precedes the inflow of funds

from the sale of bonds or federal reimbursements. Because of federal tax arbitrage rules, tax exempt bonds are not routinely sold in anticipation of expenditures.

To fund the FY12 capital budget, the Commonwealth borrowed by issuing \$1.760 billion in long-term bonds, \$1.340 billion of which was general obligation debt and \$419 million was special obligation debt secured by motor fuels taxes and motor vehicle license and registration fees. In addition, the Commonwealth issued \$480 million in debt to refund already existing debt (\$91 million of which was issued by the Massachusetts Department of Transportation to refund debt originally issued by the Massachusetts Turnpike Authority), taking advantage of continued low interest rates in FY12.

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



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

The graph Capital Projects Funds – Fund Balance (Deficit) at left shows the combined fund balance in Capital Projects Funds for the past five years. In some previous years, the combined ending balance in the Capital Projects Funds has been negative, as capital spending occurs prior to bonds being issued by the Commonwealth. At the end of FY12, the Capital Projects Funds had a \$191 million deficit balance, as at the end of the fiscal year the Commonwealth had not yet reimbursed itself for capital spending that it typically funds in arrears through subsequent bond issues.

The Capital Projects Funds – Operations table below includes the FY12 Capital Projects Funds, summarized and compared to FY11. Financial statements for each of the individual funds are included in the financial section of this report.

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

	2011	2012
Beginning fund balance (deficit).....	\$ (182,560)	\$ 199,238
Revenues and other financing sources:		
Federal grants and reimbursements.....	168,912	79,732
Departmental and miscellaneous.....	697	3,294
Proceeds of general and special obligation bonds.....	2,305,638	1,921,201
Proceeds of refunding bonds.....	540,200	479,564
Transfer for federal reimbursements.....	458,410	481,145
Transfers and other financing sources.....	57,856	153,933
Total revenues and other financing sources.....	3,531,713	3,118,869
Expenditures and other financing uses:		
Acquisition and maintenance of capital assets.....	2,503,311	2,833,457
Payments to advance refunding escrow agent/principal repayment.....	540,200	497,049
Transfers and other financing uses.....	106,404	178,250
Total expenditures and other financing uses.....	3,149,915	3,508,756
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	381,798	(389,887)
Ending fund balance (deficit).....	\$ 199,238	\$ (190,649)

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

During FY12, significant capital spending included:

- \$297 million in bridge repair projects under the Commonwealth’s Accelerated Bridge Program;
- \$222 million invested in new academic buildings and improvements to existing buildings on several state university and University of Massachusetts campuses. The Commonwealth spending leveraged an additional \$54 million in university investments in FY12;
- \$200 million in Chapter 90 municipal road and bridge projects;
- \$90 million in capital repairs to public housing;
- \$58 million to fund the final stages of construction of a new psychiatric facility in Worcester;
- \$39 million for open-space land protection;
- \$26 million spent for the Broadband Initiative, which invests capital funds to promote broadband expansion to unserved and underserved areas of Massachusetts.

As part of the development of its annual five-year capital plan, the Commonwealth determines the timing and amount of capital spending and borrowing consistent with established debt affordability measures.

During the fiscal year, the Commonwealth passed or agreed to terms to over approximately \$200 million in bond authorizations. There were no de-authorizations of previously issued capital appropriations in FY11.

### ***The Non-Appropriated Funds of Higher Education***

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

institutions of higher education be eliminated and that interested parties rely entirely on the audited financial statements.

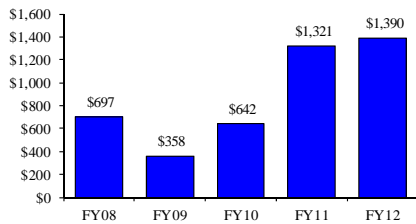
**Non-Appropriated Funds Of Higher Education - Operations**  
(Amounts in thousands)

	2011*	2012
Beginning fund balance (restated).....	\$ 1,198,102	\$ 1,321,270
Revenues and other financing sources:		
Federal grants and reimbursements.....	627,346	638,698
Departmental revenues.....	1,695,310	1,821,568
Transfers and other financing sources .....	1,618,646	1,636,751
Total revenues and other financing sources.....	3,941,302	4,097,017
Expenditures and other financing uses:		
Programs and services.....	3,818,134	4,028,048
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	123,168	68,969
Ending fund balance.....	\$ 1,321,270	\$ 1,390,239

\*Beginning balance for FY11 was restated due to the reconciliation of prior year balances

The Non-Appropriated Funds of Higher Education – Operations table above includes the FY12 activity in Higher Education funds, summarized and compared to FY11. Financial statements for each of the individual funds are included in the statistical section of this report. The graph Non-Appropriated Funds of Higher Education – Fund Balance shows the combined fund balance for the past five years. The combined balance represents an approximate \$808 million fund balance for the University of Massachusetts, an approximate \$309 million fund balance for the State University (formerly the State College) system and an approximate \$273 million fund balance for the Community Colleges.

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



As we close the books for FY12, I again would like to express my thanks to the many dedicated employees within the Office of the Comptroller. I am proud to have all the employees of the Comptroller’s Office on my team to help tackle these and other difficult issues as we prepare for the year ahead.

I would also like to express my appreciation to the Governor and Legislature for enacting year-end budget legislation soon after June 30, 2012, which allowed the Comptroller’s Office to close the books on FY12 expeditiously.

Respectfully submitted,

Martin J. Benison  
Comptroller of the Commonwealth



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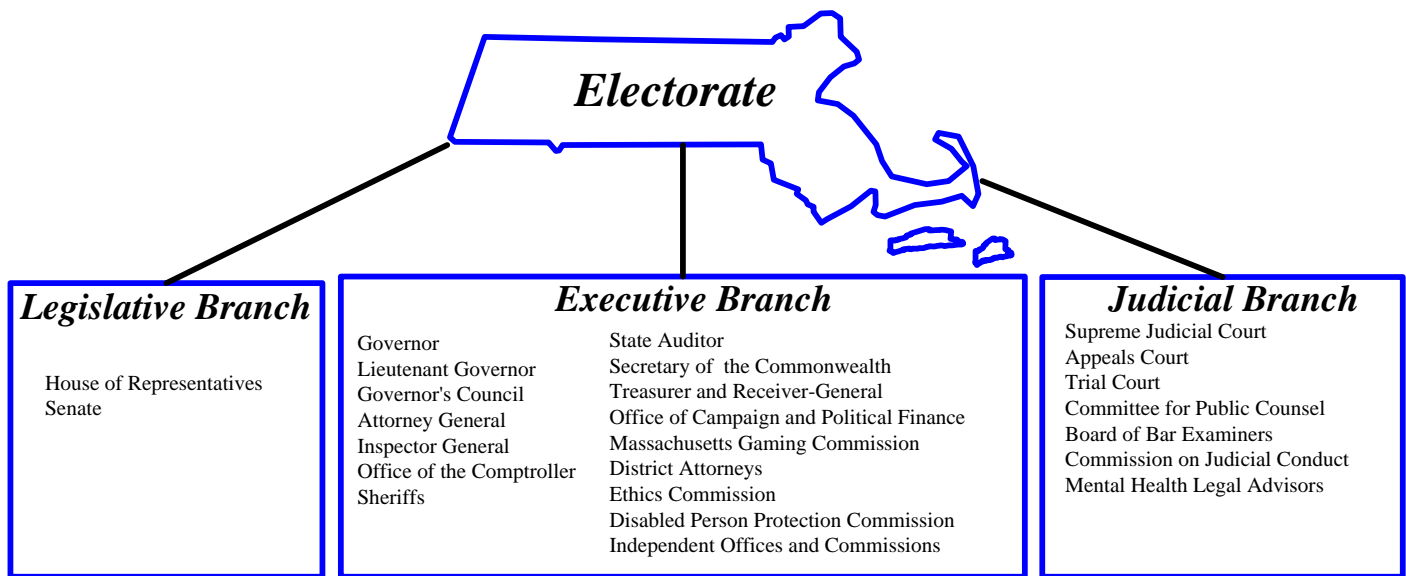
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Phillip Rapoza  
*Chief Justice, Appeals Court*

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*Court Administrator, Trial Court*



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*Gubernatorial Appointee*

**REPORT PREPARED BY:**

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*Deputy Comptroller*

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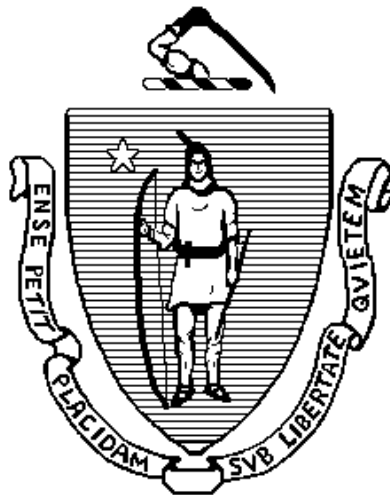
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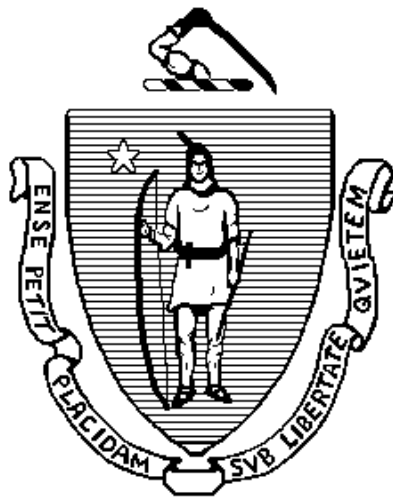
**Art Direction**

Scott Olsen  
Vinh Nguyen  
Patricia McKenna

# *Financial Section*



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



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

## **Independent Accountants' Review Report**

Mr. Martin J. Benison, Comptroller  
Commonwealth of Massachusetts

We have reviewed the accompanying combined financial statements – statutory basis of the Commonwealth of Massachusetts as of and for the year ended June 30, 2012, as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the combined financial statements – statutory basis as a whole. Accordingly, we do not express such an opinion.

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

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

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

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

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



basis of the Commonwealth of Massachusetts. The combining and individual fund financial statements – statutory basis and supplemental information have been subjected to the inquiry and analytical procedures applied in the review of the combined financial statements – statutory basis, and we did not become aware of any material modifications that should be made to such information. The introductory and statistical sections have not been subjected to the inquiry and analytical procedures applied in the review of the combined financial statements – statutory basis, but was compiled from information that is the representation of management, without audit or review and, accordingly, we do not express an opinion or any other form of assurance on such information.

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

KPMG LLP

October 23, 2012

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# *Combined Financial Statements - Statutory Basis*

**Budgeted Funds**  
**Combined Balance Sheet - Statutory Basis**

June 30, 2012  
(Amounts in thousands)

	Totals (Memorandum only)	
	2012	2011
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 1,926,174	\$ 1,803,282
Cash with fiscal agent.....	7,581	19,239
Investments.....	260,058	255,903
Receivables, net of allowance for uncollectibles:		
Due from federal government.....	550,072	481,297
Other receivables.....	17,307	21,104
Due from cities and towns.....	10,915	7,780
Total assets.....	\$ 2,772,107	\$ 2,588,605
<b>LIABILITIES AND FUND EQUITY</b>		
Liabilities:		
Accounts payable.....	\$ 640,327	\$ 551,464
Accrued payroll.....	142,054	136,322
Total liabilities.....	782,381	687,786
Fund equity:		
Combined fund balance:		
Reserved for:		
Continuing appropriations.....	162,886	380,822
Commonwealth Stabilization.....	1,652,118	1,379,071
Debt service.....	7,581	19,239
Unreserved:		
Undesignated.....	167,141	121,687
Total fund equity.....	1,989,726	1,900,819
Total liabilities fund equity.....	\$ 2,772,107	\$ 2,588,605

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, 2012  
(Amounts in thousands)

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES AND OTHER FINANCING SOURCES</b>			
Revenues:			
Taxes.....	\$ 19,159,700	\$ 19,643,721	\$ 484,021
Assessments.....	-	459,911	459,911
Federal grants and reimbursements.....	7,883,300	7,971,705	88,405
Departmental.....	2,890,173	2,511,978	(378,195)
Miscellaneous.....	9,427	245,293	235,866
Total revenues.....	<u>29,942,600</u>	<u>30,832,608</u>	<u>890,008</u>
Other financing sources:			
Fringe benefit cost recovery.....	-	369,083	369,083
Lottery reimbursements.....	97,654	88,658	(8,996)
Lottery distributions.....	887,923	977,553	89,630
Operating transfers in.....	687,786	350,221	(337,565)
Stabilization transfer.....	194,000	707,102	513,102
Tobacco settlement transfer.....	286,737	253,628	(33,109)
Total other financing sources.....	<u>2,154,100</u>	<u>2,746,245</u>	<u>592,145</u>
Total revenues and other financing sources.....	<u>32,096,700</u>	<u>33,578,853</u>	<u>1,482,153</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>			
Expenditures:			
Legislature.....	63,901	58,337	5,564
Judiciary.....	773,447	757,507	15,940
Inspector General.....	3,541	2,818	723
Governor and Lieutenant Governor.....	10,199	6,543	3,656
Secretary of the Commonwealth.....	36,293	35,996	297
Treasurer and Receiver-General.....	209,319	187,115	22,204
Auditor of the Commonwealth.....	17,624	17,052	572
Attorney General.....	43,867	42,624	1,243
Ethics Commission.....	1,838	1,729	109
District Attorney.....	99,520	99,031	489
Office of Campaign & Political Finance.....	1,270	1,196	74
Sheriff's Departments.....	521,610	515,153	6,457
Disabled Persons Protection Commission.....	2,211	2,210	1
Board of Library Commissioners.....	21,461	21,441	20
Comptroller.....	11,898	11,512	386
Administration and finance.....	1,996,386	1,882,078	114,308
Energy and environmental affairs.....	199,586	188,058	11,528
Health and human services.....	4,879,823	4,793,301	86,522
Massachusetts department of transportation.....	160,000	160,000	-
Executive office of education.....	1,890,522	1,867,271	23,251
Public safety and homeland security.....	1,002,508	968,625	33,883
Housing and economic development.....	451,002	437,598	13,404
Labor and workforce development.....	65,074	37,832	27,242
Direct local aid.....	4,929,556	4,929,489	67
Medicaid.....	10,445,850	10,431,108	14,742
Post employment benefits.....	1,892,326	1,892,326	-
Debt service:			
Principal retirement.....	1,086,502	1,043,636	42,866
Interest and fiscal charges.....	938,773	879,518	59,255
Total expenditures.....	<u>31,755,907</u>	<u>31,271,104</u>	<u>484,803</u>
Other financing uses:			
Fringe benefit cost assessment.....	1,900	2,663	(763)
Operating transfers out.....	406,038	471,359	(65,321)
Stabilization transfer.....	194,000	722,102	(528,102)
Commonwealth care trust transfer.....	728,012	614,910	113,102
Medical assistance transfer.....	394,025	220,900	173,125
Delivery system transformation initiatives trust transfer.....	186,908	186,908	-
Total other financing uses.....	<u>1,910,883</u>	<u>2,218,842</u>	<u>(307,959)</u>
Total expenditures and other financing uses.....	<u>33,666,790</u>	<u>33,489,946</u>	<u>176,844</u>
Excess (deficiency) of revenues and other financing sources			
over / (under) expenditures and other financing uses.....	(1,570,090)	88,907	1,658,997
Fund balance (deficit) at beginning of year.....	1,900,819	1,900,819	-
Fund balance (deficit) at end of year.....	<u>\$ 330,729</u>	<u>\$ 1,989,726</u>	<u>\$ 1,658,997</u>

See accompanying notes to financial statements and accountants' review report

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

Fiscal Year Ended June 30, 2012

(Amounts in thousands)

	Non-Budgeted Special Revenue	Capital Projects	Totals (Memorandum only)	
			2012	2011
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ 1,739,826	\$ -	\$ 1,739,826	\$ 1,680,656
Assessments.....	526,540	-	526,540	517,048
Federal grants and reimbursements.....	3,534,718	79,732	3,614,450	3,948,701
Tobacco settlement revenue.....	253,628	-	253,628	248,741
Departmental.....	5,846,922	214	5,847,136	5,497,272
Miscellaneous.....	136,786	3,080	139,866	90,526
Total revenues.....	<u>12,038,420</u>	<u>83,026</u>	<u>12,121,446</u>	<u>11,982,944</u>
Other financing sources:				
Proceeds of general obligation bonds.....	-	1,340,367	1,340,367	1,633,051
Proceeds of special obligation bonds.....	-	419,260	419,260	672,587
Bonds premiums (discounts).....	-	161,574	161,574	-
Proceeds of refunding bonds.....	-	479,564	479,564	946,653
Operating transfers in.....	534,586	32,252	566,838	503,389
Stabilization transfer.....	15,000	-	15,000	-
Commonwealth care trust transfer.....	614,910	-	614,910	739,012
Health safety net trust transfer.....	30,000	-	30,000	30,000
Medical assistance transfer.....	220,900	-	220,900	886,101
Federal reimbursement transfer in.....	-	481,145	481,145	458,410
State share of federal highway construction.....	-	121,681	121,681	57,809
Delivery system transformation initiatives trust transfer.....	186,908	-	186,908	-
Total other financing sources.....	<u>1,602,304</u>	<u>3,035,843</u>	<u>4,638,147</u>	<u>5,927,012</u>
Total revenues and other financing sources.....	<u>13,640,724</u>	<u>3,118,869</u>	<u>16,759,593</u>	<u>17,909,956</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Judiciary.....	1,439	20,688	22,127	20,207
Inspector General.....	298	-	298	281
Governor and Lieutenant Governor.....	98	-	98	98
Secretary of the Commonwealth.....	5,321	1,572	6,893	6,791
Treasurer and Receiver-General.....	5,509,177	150,640	5,659,817	5,405,810
Auditor of the Commonwealth.....	-	489	489	-
Attorney General.....	9,560	1,263	10,823	10,007
District Attorney.....	2,336	-	2,336	3,330
Office of Campaign & Political Finance.....	-	-	-	1,390
Sheriff's Departments.....	12,369	4,329	16,698	8,313
Disabled Persons Protection Commission.....	-	-	-	106
Board of Library Commissioners.....	2,833	9,841	12,674	12,295
Massachusetts Gaming Commission.....	791	-	791	-
Comptroller.....	1,818	243	2,061	3,216
Administration and finance.....	105,171	578,575	683,746	654,948
Energy and environmental affairs.....	125,620	141,995	267,615	293,533
Health and human services.....	2,343,685	24,657	2,368,342	2,774,938
Massachusetts department of transportation.....	600,940	1,562,546	2,163,486	2,117,652
Executive office of education.....	1,104,611	58,095	1,162,706	1,417,230
Public safety and homeland security.....	230,850	36,411	267,261	229,678
Housing and economic development.....	533,684	230,991	764,675	918,431
Labor and workforce development.....	351,209	1,454	352,663	371,907
Debt service:				
Principal retirement.....	158,459	497,049	655,508	380,395
Interest and fiscal charges.....	71,898	9,668	81,566	83,482
Total expenditures.....	<u>11,172,167</u>	<u>3,330,506</u>	<u>14,502,673</u>	<u>14,714,038</u>
Other financing uses:				
Payments to advance refunding escrow agent.....	-	-	-	724,638
Fringe benefit cost assessment.....	127,306	56,569	183,875	180,170
Lottery operating reimbursements.....	88,658	-	88,658	86,391
Lottery distributions.....	977,553	-	977,553	881,817
Operating transfers out.....	250,284	-	250,284	159,898
Tobacco settlement transfer.....	253,628	-	253,628	248,741
Health safety net trust transfer.....	30,000	-	30,000	30,000
Federal reimbursement transfer out.....	481,145	-	481,145	458,410
State share of federal highway construction.....	-	121,681	121,681	57,809
Total other financing uses.....	<u>2,208,574</u>	<u>178,250</u>	<u>2,386,824</u>	<u>2,827,874</u>
Total expenditures and other financing uses.....	<u>13,380,741</u>	<u>3,508,756</u>	<u>16,889,497</u>	<u>17,541,912</u>
Excess (deficiency) of revenues and other financing sources				
over / (under) expenditures and other financing uses.....	259,983	(389,887)	(129,904)	368,044
Fund balance (deficit) at beginning of year (restated).....	1,799,478	199,238	1,998,716	1,630,672
Fund balance (deficit) at end of year.....	<u>\$ 2,059,461</u>	<u>\$ (190,649)</u>	<u>\$ 1,868,812</u>	<u>\$ 1,998,716</u>

See accompanying notes to financial statements and accountants' review report

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**1. FINANCIAL STATEMENT PRESENTATION**

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**A. INTRODUCTION**

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

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

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

**B. GOVERNMENTAL FUND TYPES**

The Fund types are organized as follows:

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

*Budgeted Funds* – are the primary operating funds of the Commonwealth. They account for all budgeted governmental transactions. Major budgeted funds include the General, Stabilization and Commonwealth Transportation Fund (which succeeded the Highway Fund effective July 1, 2009), which are identified by the Comptroller as the operating funds of the Commonwealth.

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

*Capital Projects Funds* – account for financial resources used to acquire or construct major capital assets and to finance local capital projects. These resources are derived from proceeds of bonds and other obligations, which are generally received after related expenditures have been incurred, operating transfers authorized by the Legislature and from federal reimbursements. Deficit balances in Capital Projects Funds represent amounts to be financed.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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**A. STATUTORY BASIS OF ACCOUNTING**

The SBFR is prepared from the Commonwealth's books and records and other official reports which are maintained on the basis of accounting used in the preparation of the Commonwealth's legally adopted annual budget (statutory basis). The statutory basis emphasizes accountability and budgetary control of appropriations. The SBFR is not intended to present the Commonwealth's financial condition and results of operations in conformity with GAAP.

Under the statutory basis of accounting, revenues are generally recognized when cash deposits are received by the Treasury. However, generally, revenues receivable for federal grants and reimbursements are recognized when related expenditures are incurred. Amounts due from political subdivisions of the Commonwealth are recognized when considered measurable and available. These are largely payments from municipalities reimbursing for pension costs paid from the Commonwealth on their behalf.

Under the statutory basis of accounting, expenditures are generally recorded when the related cash disbursement occurs. At year-end, payroll is accrued and payables are recognized, to the extent of approved encumbrances, for goods or services received by June 30. Costs incurred under the federally-sponsored Medicaid program, amounts required to settle claims and

judgments against the Commonwealth, and certain other liabilities are not recognized until they are encumbered or otherwise processed for payment.

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

#### **B. CASH, SHORT-TERM INVESTMENTS AND INVESTMENTS**

The Commonwealth follows the practice of pooling the cash and cash equivalents of its Funds. Cash equivalents consist of short-term investments with an original maturity of three months or less and are stated at cost. Interest earned on pooled cash is allocated to the General Fund, Expendable Trust Funds (not included in this report) and, when so directed by law, to certain Special Revenue and Capital Projects Funds.

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

For a complete copy of MMDT's separately issued financial statements, please feel free to contact the Trust's investment adviser at 800-392-6095, or the Treasurer's Cash Management Department, at 617-367-9333 ext. 553.

Statutes authorize investment in obligations of the U. S. Treasury, authorized bonds of all states, bankers acceptances, certificates of deposit, commercial paper rated within the three highest classifications established by Standard & Poor's Corporation and Moody's Commercial Paper Record and repurchase agreements that any of these obligations secure.

#### **C. DEDICATED REVENUE AND PLEDGES**

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

All federal government reimbursements for the Commonwealth's highway spending are dedicated to the repayment of federal grant anticipation notes (GANs) issued in fiscal 1998, 1999, 2001, 2011 and refunding notes in FY03 and FY11. All GANs issued prior to 2010 are scheduled to be repaid and retired in FY15. The Commonwealth will begin repayment of principal of the new-money notes issued in 2010 beginning in FY16, after the original and refunded federal grant anticipation notes have been paid in full. As of June 30, 2012, total principal remaining to be paid on outstanding GANs is approximately \$610 million, with maturities ranging from FY13 through FY23. Principal paid during FY12 was approximately \$156 million and came from federal reimbursements. Interest paid in FY12 was funded by the Commonwealth.

During FY12, the Commonwealth issued an additional \$419 million in special obligation bonds for highway construction purposes under the Commonwealth's Accelerated Bridge Program, secured by Commonwealth motor fuels taxes and Registry of Motor Vehicle fees. The new bonds are secured by a senior lien on 14.085 cents of the total 21 cent per gallon gasoline tax, the full 21 cents per gallon of special fuels taxes (comprised primarily of taxes on diesel fuel), the full 19.1% of the average price per gallon tax on liquefied natural gas, and all Registry of Motor vehicle fees deposited in the Commonwealth Transportation Fund. The bonds also have a subordinate lien on 6.86 cents of the 21 cent per gallon gasoline tax not included in the senior lien. As of June 30, 2012, approximately \$995 million in principal was outstanding on these and other previously issued Accelerated Bridge Program (ABP) special obligation bonds and approximately \$733 million of interest was expected to be paid through maturity. The ABP program projected interest costs are net of federal subsidies under the Build America Bond (BABs) 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. The ABP bonds mature from FY13 to FY41.

Other special obligation bonds for highway construction purposes issued prior to FY12 are secured by a pledge of 6.86 cents of the 21 cents per gallon gasoline tax. As of June 30, 2012, this pledge funds approximately \$338 million of principal and approximately \$91 million in interest on the outstanding debt. These bonds mature from FY13 to FY23 and were sold in

various series issued prior to FY12. Principal and interest paid during FY12 amounted to approximately \$40 million and \$20 million, respectively. The lien on these bonds has been closed, meaning that no new additional new-money bonds will be issued against these revenues under this trust agreement.

Portions of Commonwealth sales taxes are pledged as security for bonds issued by the Massachusetts Bay Transportation Authority (MBTA) and the Massachusetts School Building Authority (MSBA). The MBTA receives sales tax revenues equal to 1% of applicable sales, subject to an annual floor set in statute. In FY12, total dedicated sales tax revenue that was directed to the MBTA was approximately \$779 million, \$109 million more than would have been the case were the dedicated revenue equal to 1% of applicable sales. As a result, in FY12 the MBTA received from the Commonwealth sales tax revenues equal to 1.16% of applicable sales, and is expected to receive approximately this percentage of applicable sales for the foreseeable future. Dedicated revenues to the MBTA increase by the lesser of the annual increase in the Boston consumer price index or annual sales taxes, with a floor of 0% and a ceiling of 3.0%.

The MSBA also receives a pledge of sales tax that, starting in FY11, increased to 1.0% of applicable sales in the Commonwealth but with no annual floor or ceiling. In FY12, approximately \$670 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, 2012, taxes within the Convention Center districts support approximately \$639 million of outstanding principal and approximately \$492 million of interest on debts related to these Convention Centers. Taxes collected in FY12 were approximately \$94 million, while debt service on the bonds was approximately \$36 million.

Finally, as part of the Transportation Modernization Act of 2009, as amended, a further pledge of sales taxes was made. Beginning in FY11, 0.385% of applicable sales and uses on a total sales tax rate of 6.25% is dedicated to funding the operations of MassDOT through the Commonwealth Transportation Fund. The Act has a floor amount of \$275 million, with a final transfer occurring on or before September 1<sup>st</sup> of the following fiscal year. In FY12, approximately \$312 million in sales tax revenue was transferred to MassDOT, \$37 million more than the \$275 million minimum. From the Commonwealth Transportation Fund, \$160 million was dedicated to funding the operations of the MBTA while an additional \$15 million was dedicated to funding the operations of the regional transit authorities. These amounts are transferred through the Commonwealth Transportation Fund.

#### **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 \$1 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 \$369 million into the General Fund results from cost assessments of approximately \$186 million from the other budgeted funds, non-budgeted special revenue funds and capital funds. The remainder of approximately \$183 million was assessed to the non-appropriated activities of higher education, expendable trust and agency funds.

**G. LOTTERY REVENUE AND PRIZES**

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

**H. RECEIVABLES**

Reimbursements due to the Commonwealth for its expenditures on federally funded reimbursement and grant programs are reported as "Due from federal government." Other receivables include reimbursement of fringe benefit assessments from authorities and the institutions of higher education along with other departmental receivables.

**I. DUE FROM CITIES AND TOWNS**

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

**J. RISK MANAGEMENT**

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

For personal injury or property damages, Chapter 258 of the Massachusetts General Laws limits the risk assumed by the Commonwealth to \$100,000 per occurrence, in most circumstances.

The Group Insurance Commission administers contributory health care and other insurance programs for the Commonwealth's employees and retirees.

**K. ENCUMBRANCES**

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

**L. FUND BALANCES**

Fund balance has been reserved as follows:

"Reserved for continuing appropriations" – are unexpended amounts in appropriations, which the Legislature has specifically authorized to be carried into the next fiscal year.

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

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

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

**M. TOTAL COLUMN – MEMORANDUM ONLY**

Total and subtotal columns on the combined financial statements – statutory basis are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present consolidated

financial position, results of operations or changes in financial position. Interfund eliminations have not been made in the aggregation of these data.

The financial statements include certain prior year summarized comparative information in total but not by fund. Such information does not include sufficient detail to constitute a full comparative presentation. Accordingly, such information should be read in conjunction with the Commonwealth's financial statements for the year ended June 30, 2011, from which the summarized information was derived.

#### **N. ESTIMATES**

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

#### **O. BEGINNING OF YEAR FUND BALANCE**

The beginning fund balance of the grant anticipation note trust fund and the combined non-budgeted special revenue funds were adjusted to reflect payments to bond escrow agents related to debt refunding transactions that occurred during fiscal year 2011.

### **3. BUDGETARY CONTROL**

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

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

In addition, Massachusetts General Laws authorize the Secretary of Administration and Finance, with the approval of the Governor, upon determination that available revenues will be insufficient to meet authorized expenditures, to withhold allotments of appropriated funds which effectively reduce the account's expenditure budget.

The majority of the Commonwealth's appropriations are non-continuing accounts which lapse at the end of each fiscal year. Others are continuing accounts for which the Legislature has authorized that an unspent balance from the prior year be carried forward and made available for spending in the current fiscal year. In addition, the Legislature may direct that certain revenues be retained and made available for spending within an appropriation. Fringe benefits, pension costs, and certain other costs which are mandated by state finance law are not itemized in the appropriation process and are not separately budgeted.

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

Generally, expenditures may not exceed the level of spending authorized for an appropriation account. However, the Commonwealth is statutorily required to pay debt service, regardless of whether such amounts are appropriated.

The FY04 General Appropriation Act (Chapter 26, Section 167 of the Acts of 2003), amended section 9C, directing the Governor to notify the Legislature in writing as to the reasons for and the effect of any reductions in spending. Alternatively, the Governor may propose specific additional revenues to fund the deficiency. The Governor may also propose to transfer funds from the Stabilization Fund to cure the deficiency. This proposal must be delivered to the Legislature 15 days before any reductions take effect.



The following table summarizes budgetary activity for FY12 (amounts in thousands):

	Revenues	Expenditures
General Appropriation Act, Chapter 68 of the Acts of 2011:		
Direct appropriations.....	\$ 30,422,800	\$ 30,044,948
Estimated revenues, transfers, direct appropriations, retained revenue appropriations, interagency chargebacks and appropriations carried forward from FY2011.....	-	1,406,492
Total original budget.....	<u>30,422,800</u>	<u>31,451,440</u>
Supplemental Acts of 2011:		
Chapter 68.....	-	10,000
Chapter 142.....	-	16,845
Chapter 171.....	-	51,966
Chapter 194.....	-	5,500
Supplemental Acts of 2012:		
Chapter 36.....	-	124,110
Chapter 96.....	-	71,713
Chapter 118.....	-	213,265
Total as of June 30, 2012.....	<u>30,422,800</u>	<u>31,944,839</u>
Supplemental Acts of 2012, passed after June 30:		
Chapter 238.....	-	3,750
Chapter 239.....	-	43,250
Subtotal.....	<u>-</u>	<u>47,000</u>
Total budgeted revenues and expenditures per Legislative action.....	30,422,800	31,991,839
Plus: Pension contributions and revenue authorized outside of General Appropriations Act, and other transfers of revenue and spending.....	<u>1,673,900</u>	<u>1,674,951</u>
Budgeted revenues and expenditures as reported.....	<u>\$ 32,096,700</u>	<u>\$ 33,666,790</u>

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

	Revenues and Other Financing Sources	Expenditures and Other Financing Uses
Actual as presented in the combined budget and actual statement - statutory basis.....	\$33,578,853	\$33,489,946
Adjustments to revenues and expenditures		
Transfer of revenues to the intragovernmental service fund.....	(295,794)	(295,794)
Adjustments to other financing sources and uses:		
Fringe benefit cost assessments.....	(2,663)	(2,663)
Transfer of expenditures from the intragovernmental service fund to the general fund...	(611)	(611)
RMV license plates.....	(3,075)	(3,075)
Transfers from stabilization fund to general fund.....	(215,408)	(215,408)
Transfers from budgeted funds to stabilization fund.....	(375,021)	(375,021)
Year end stabilization fund transfer.....	(116,673)	(116,673)
Transfer to fund general fund consolidated net surplus calculation.....	(22,257)	(22,257)
Other.....	(804)	(804)
Actual as presented on budgetary documents.....	<u>\$32,546,547</u>	<u>\$32,457,640</u>

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

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

**4. MASSACHUSETTS DEPARTMENT OF TRANSPORTATION (MassDOT)**

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 is reported in the capital funds section of this report, in the Central Artery Statewide Road and Bridge Infrastructure Fund, the Highway Capital Projects Fund and the Federal Highway Construction Program Fund.

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

**5. INDIVIDUAL FUND DEFICITS**

The following Non-Budgeted Special Revenue and Capital Projects Funds are included in the combined totals and have individual fund deficits at June 30, 2012, as follows (amounts in thousands) (excludes MassDOT):

Non-Budgeted Special Revenue:	
Universal Health:	
Medical security trust fund.....	\$ (77,031)
Other:	
Government land bank fund.....	<u>(35,033)</u>
Total Non - Budgeted Funds.....	<u>(112,064)</u>
Capital Projects:	
General capital projects fund.....	(188,684)
Capital improvement and investment trust fund.....	(135)
Highway capital projects fund.....	<u>(64,221)</u>
Total Capital Projects Funds.....	<u>(253,040)</u>
Total .....	<u>\$ (365,104)</u>

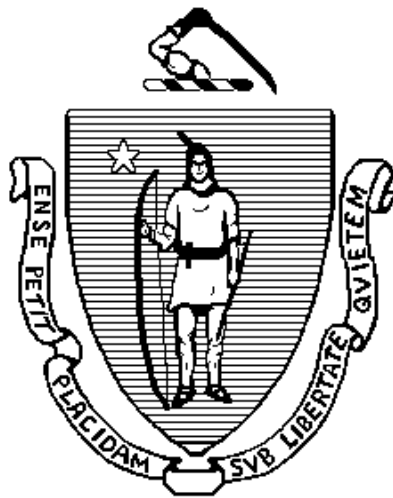
None of the funds detailed above were in deficit due to finance-related contractual provisions and all were allowed to be in deficit by General Law.

**6. MEDICAID COSTS**

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The Commonwealth's Medicaid program, called MassHealth, provides health care to low-income children and families, certain low-income adults, disabled individuals and low-income elders. The program, administered by the Office of Medicaid within the Executive Office of Health and Human Services, typically receives 50.0% in federal reimbursement on most expenditures. In FY09 and FY10, as part of the American Recovery and Reinvestment Act (ARRA), the federal reimbursement rate under Medicaid's Federal Medical Assistance Program (FMAP) was increased to 61.6%. For FY11 less funding was available due to a decrease in the average reimbursement rate to 59.7% (a 61.6% reimbursement rate in the first half of FY11, a 58.8% reimbursement rate in the third quarter of FY11, and a 56.9% reimbursement rate in the fourth quarter of FY11). This rate decrease was effective through June 30, 2011, and reverted to the standard 50.0% reimbursement rate after that date.

Approximately 38.4% of the Commonwealth's budgeted fund spending for programs and services is devoted to Medicaid. It is the largest and has been one of the fastest growing items in the Commonwealth's budget. For the fiscal year ended June 30, 2012, the General Fund includes approximately \$10.431 billion in expenditures for Medicaid claims. The combined financial statements – statutory basis include Medicaid claims processed but unpaid at June 30, 2012 of approximately \$16 million as accounts payable.

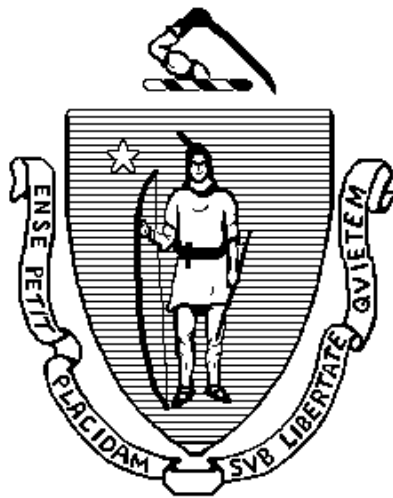


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# *Combining and Individual Fund Financial Statements - Statutory Basis*



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# *Individual Budgeted Funds*

## **MAJOR BUDGETED FUNDS:**

*The General Fund* – The General Fund is the Commonwealth’s primary Governmental Fund. All governmental activities not specifically directed to another fund are accounted for in the General Fund. As a result, most budgeted expenditures of the Executive secretariats, the Legislature, constitutional offices, Judiciary, institutions of higher education and independent commissions are paid from the General Fund. It similarly receives a significant portion of sales, individual income and corporate taxes and the full amount of most other governmental taxes.

*Commonwealth Transportation Fund* – to account for certain revenues of the recently created Massachusetts Department of Transportation, particularly those relating to the use and operation of motor vehicles and trailers, except fees for interstate permitting, together with all contributions and assessments paid into the treasury of the Commonwealth by cities, towns or counties for maintaining, repairing, improving and constructing ways, all refunds and rebates made on account of expenditures on ways by the department, all fuel taxation and other monies received by the Commonwealth in satisfaction of claims by the Commonwealth for damage to highway safety signs, signals, guardrails, curbing and other highway related facilities. Spending is for debt service on general and special obligation debt formerly paid from the Highway Fund, as well as for amounts, subject to appropriation, to fund the programs and services of the Massachusetts Department of Transportation. This fund also includes activity of the Infrastructure Fund, which was a sub fund 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. Per the FY2005 General Appropriation Act, tax revenues from certain lottery winners selling their stream of future winnings in exchange for current payments are recorded in this fund. The residual balance of the Temporary Holding Fund is closed to the Stabilization Fund to the extent of expenditures from the Fund.

## **ADMINISTRATIVE CONTROL FUNDS:**

These funds account for the revenues generated by certain administrative functions of government, for which the Legislature has required that separate funds be established.

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

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

## **BUDGETED ENVIRONMENTAL FUNDS:**

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

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

## **OTHER BUDGETED FUNDS:**

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

*Workforce Training Fund* – to account for revenues from an unemployment surcharge of .075% on taxable wages on employers; to provide grants to employers and labor groups to provide education and training to new and existing employees. This fund was closed and set up as non-budgeted in FY12, per Section 39 of Chapter 68 of the Acts of 2011.

*Substance Abuse Prevention and Treatment Fund* – to account for sales tax revenues (non-dedicated) collected from the sale of alcoholic beverages under Chapter 64H; used for substance abuse treatment and prevention services. In November 2010, the sales tax on alcoholic beverages was repealed via referendum, effective January 1, 2011. As of that date, no monthly sales tax revenue has been deposited in the Substance Abuse Fund.

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

The following funds have been enacted in legislation but had no activity in FY12 and are not presented in this report:

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

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

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

**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.

**Highway Fund** – to account for highway user taxes including the gas tax and fees; used to finance highway maintenance and safety services, and provide matching funds for federally sponsored highway projects as required. During FY10, the Highway Fund operations were succeeded by the Commonwealth Transportation Fund and the Massachusetts Department of Transportation. As the fund has not been repealed, in FY11 the fund became inactive.

**Gaming Local Aid Fund** – to account for monies transferred under Section 59 of Chapter 23K of the General Laws and all monies credited or transferred to the fund from any other fund or source. Monies from the fund shall be used in addition to the balance of the State Lottery Fund for distribution to cities and towns in accordance with Section 35 of Chapter 10 of the General Laws and any monies so distributed shall be considered part of general revenue sharing aid for purposes of annual aid and contribution requirements established pursuant to Chapter 70 of the General Laws or Section 3 of the FY2011 General Appropriation Act.

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

**Local Aid Stabilization Fund** – to account for monies transferred from the Gaming Revenue Fund established in Section 59 of Chapter 23K of the General Laws, all other monies credited or transferred to it from any other fund or source and proceeds from the investment of such funds. Monies shall be distributed to cities and towns as a supplement to other sources of local aid distributions, but shall not be subject to Section 5C of Chapter 29 of the General Laws.

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

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

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

**Healthcare Payment Reform Fund** – to account for monies transferred in accordance with Section 93 of Chapter 194 of the Acts of 2011 and any monies credited or transferred to the fund from any other fund or source.





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**Budgeted Funds**  
**Combining Balance Sheet - Statutory Basis**

June 30, 2012  
(Amounts in thousands)

	General	Commonwealth Transportation	Commonwealth Stabilization	Administrative Control	
				Temporary Holding	Intragovernmental Service
<b>ASSETS</b>					
Cash and short-term investments.....	\$ 478,176	\$ 855	\$ 1,392,060	\$ -	\$ 33,911
Cash with fiscal agent.....	-	7,581	-	-	-
Investments.....	-	-	260,058	-	-
Receivables, net of allowance for uncollectibles:					
Due from federal government.....	550,072	-	-	-	-
Other receivables.....	17,307	-	-	-	-
Due from cities and towns.....	10,915	-	-	-	-
Total assets.....	<u>\$ 1,056,470</u>	<u>\$ 8,436</u>	<u>\$ 1,652,118</u>	<u>\$ -</u>	<u>\$ 33,911</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable.....	\$ 616,625	\$ 855	\$ -	\$ -	\$ 22,239
Accrued payroll.....	138,196	-	-	-	3,517
Total liabilities.....	<u>754,821</u>	<u>855</u>	<u>-</u>	<u>-</u>	<u>25,756</u>
Fund balance:					
Reserved for:					
Continuing appropriations.....	154,731	-	-	-	8,155
Commonwealth Stabilization.....	-	-	1,652,118	-	-
Debt service.....	-	7,581	-	-	-
Unreserved:					
Undesignated.....	146,918	-	-	-	-
Total fund equity.....	<u>301,649</u>	<u>7,581</u>	<u>1,652,118</u>	<u>-</u>	<u>8,155</u>
Total liabilities and fund equity.....	<u>\$ 1,056,470</u>	<u>\$ 8,436</u>	<u>\$ 1,652,118</u>	<u>\$ -</u>	<u>\$ 33,911</u>

See accountants' review report

Environmental		Budgeted Other			Totals (Memorandum only)	
Inland Fisheries and Game	Marine Recreational Fisheries Development	Workforce Training	Substance Abuse Prevention & Treatment	Massachusetts Tourism	2012	2011
\$ 19,427	\$ 1,578	\$ -	\$ -	\$ 167	\$ 1,926,174	\$ 1,803,282
-	-	-	-	-	7,581	19,239
-	-	-	-	-	260,058	255,903
-	-	-	-	-	550,072	481,297
-	-	-	-	-	17,307	21,104
-	-	-	-	-	10,915	7,780
<u>\$ 19,427</u>	<u>\$ 1,578</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 167</u>	<u>\$ 2,772,107</u>	<u>\$ 2,588,605</u>
\$ 481	\$ 8	\$ -	\$ -	\$ 119	\$ 640,327	\$ 551,464
282	11	-	-	48	142,054	136,322
<u>763</u>	<u>19</u>	<u>-</u>	<u>-</u>	<u>167</u>	<u>782,381</u>	<u>687,786</u>
-	-	-	-	-	162,886	380,822
-	-	-	-	-	1,652,118	1,379,071
-	-	-	-	-	7,581	19,239
18,664	1,559	-	-	-	167,141	121,687
<u>18,664</u>	<u>1,559</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,989,726</u>	<u>1,900,819</u>
<u>\$ 19,427</u>	<u>\$ 1,578</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 167</u>	<u>\$ 2,772,107</u>	<u>\$ 2,588,605</u>

**Budgeted Funds**

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

Fiscal Year Ended June 30, 2012  
(Amounts in thousands)

	General	Commonwealth Transportation	Commonwealth Stabilization	Administrative Control	
				Temporary Holding	Intragovernmental Service
<b>REVENUES AND OTHER FINANCING SOURCES</b>					
Revenues:					
Taxes.....	\$ 18,626,161	\$ 972,760	\$ 1,353	\$ -	\$ -
Assessments.....	438,400	21,511	-	-	-
Federal grants and reimbursements.....	7,966,393	-	-	-	-
Departmental.....	1,697,875	498,522	-	-	306,628
Miscellaneous.....	234,486	369	10,408	-	-
Total revenues.....	<u>28,963,315</u>	<u>1,493,162</u>	<u>11,761</u>	<u>-</u>	<u>306,628</u>
Other financing sources:					
Fringe benefit cost recovery.....	369,083	-	-	-	-
Lottery reimbursements.....	88,658	-	-	-	-
Lottery distributions.....	977,553	-	-	-	-
Operating transfers in.....	337,103	12,314	-	-	14
Stabilization transfer.....	215,408	-	491,694	-	-
Tobacco settlement transfer.....	253,628	-	-	-	-
Excess permissible tax revenue.....	-	-	-	-	-
Total other financing sources.....	<u>2,241,433</u>	<u>12,314</u>	<u>491,694</u>	<u>-</u>	<u>14</u>
Total revenues and other financing sources.....	<u>31,204,748</u>	<u>1,505,476</u>	<u>503,455</u>	<u>-</u>	<u>306,642</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>					
Expenditures:					
Legislature.....	58,337	-	-	-	-
Judiciary.....	757,507	-	-	-	-
Inspector General.....	2,818	-	-	-	-
Governor and Lieutenant Governor.....	6,466	-	-	-	60
Secretary of the Commonwealth.....	35,880	-	-	-	116
Treasurer and Receiver-General.....	187,115	-	-	-	-
Auditor of the Commonwealth.....	17,052	-	-	-	-
Attorney General.....	42,624	-	-	-	-
Ethics Commission.....	1,729	-	-	-	-
District Attorney.....	99,031	-	-	-	-
Office of Campaign & Political Finance.....	1,196	-	-	-	-
Sheriff's Departments.....	515,153	-	-	-	-
Disabled Persons Protection Commission.....	2,210	-	-	-	-
Board of Library Commissioners.....	21,441	-	-	-	-
Comptroller.....	7,867	-	-	-	3,645
Administration and finance.....	1,702,381	5,396	-	-	174,301
Energy and environmental affairs.....	175,432	-	-	-	1,250
Health and human services.....	4,710,533	-	-	-	82,768
Massachusetts department of transportation.....	-	160,000	-	-	-
Executive office of education.....	1,867,271	-	-	-	-
Public safety and homeland security.....	929,682	-	-	-	38,943
Housing and economic development.....	425,066	-	-	-	910
Labor and workforce development.....	37,832	-	-	-	-
Direct local aid.....	4,929,489	-	-	-	-
Medicaid.....	10,431,108	-	-	-	-
Post employment benefits.....	1,892,326	-	-	-	-
Debt service:					
Principal retirement.....	583,991	459,645	-	-	-
Interest and fiscal charges.....	436,232	443,286	-	-	-
Total expenditures.....	<u>29,877,769</u>	<u>1,068,327</u>	<u>-</u>	<u>-</u>	<u>301,993</u>
Other financing uses:					
Fringe benefit cost assessment.....	-	-	-	-	-
Operating transfers out.....	78,488	375,740	-	-	611
Stabilization transfer.....	375,021	84,987	230,408	-	-
Commonwealth care transfer.....	614,910	-	-	-	-
Medical assistance transfer.....	220,900	-	-	-	-
Delivery system transformation initiatives trust transfer.....	186,908	-	-	-	-
Excess permissible tax revenue.....	-	-	-	-	-
Total other financing uses.....	<u>1,476,227</u>	<u>460,727</u>	<u>230,408</u>	<u>-</u>	<u>611</u>
Total expenditures and other financing uses.....	<u>31,353,996</u>	<u>1,529,054</u>	<u>230,408</u>	<u>-</u>	<u>302,604</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....					
	(149,248)	(23,578)	273,047	-	4,038
Fund balance (deficit) at beginning of year.....	450,897	31,159	1,379,071	-	4,117
Fund balance (deficit) at end of year.....	<u>\$ 301,649</u>	<u>\$ 7,581</u>	<u>\$ 1,652,118</u>	<u>\$ -</u>	<u>\$ 8,155</u>

See accountants' review report

Environmental		Budgeted Other				Totals (Memorandum only)	
Inland Fisheries and Game	Marine Recreational Fisheries Development	Workforce Training	Substance Abuse Prevention & Treatment	Massachusetts Tourism	2012	2011	
\$ 873	\$ -	\$ -	\$ -	\$ 42,574	\$ 19,643,721	\$ 19,094,935	
-	-	-	-	-	459,911	443,403	
5,312	-	-	-	-	7,971,705	9,299,546	
7,719	1,234	-	-	-	2,511,978	2,398,338	
30	-	-	-	-	245,293	356,608	
13,934	1,234	-	-	42,574	30,832,608	31,592,830	
-	-	-	-	-	369,083	355,811	
-	-	-	-	-	88,658	86,391	
-	-	-	-	-	977,553	881,817	
177	613	-	-	-	350,221	288,239	
-	-	-	-	-	707,102	707,649	
-	-	-	-	-	253,628	248,741	
-	-	-	-	-	-	2,374,788	
177	613	-	-	-	2,746,245	4,943,436	
14,111	1,847	-	-	42,574	33,578,853	36,536,266	
-	-	-	-	-	58,337	57,895	
-	-	-	-	-	757,507	767,635	
-	-	-	-	-	2,818	2,798	
-	-	-	-	17	6,543	5,122	
-	-	-	-	-	35,996	39,475	
-	-	-	-	-	187,115	204,397	
-	-	-	-	-	17,052	17,015	
-	-	-	-	-	42,624	41,029	
-	-	-	-	-	1,729	1,660	
-	-	-	-	-	99,031	93,699	
-	-	-	-	-	1,196	1,170	
-	-	-	-	-	515,153	503,053	
-	-	-	-	-	2,210	2,174	
-	-	-	-	-	21,441	21,439	
-	-	-	-	-	11,512	11,245	
-	-	-	-	-	1,882,078	1,800,623	
11,055	321	-	-	-	188,058	188,114	
-	-	-	-	-	4,793,301	4,691,213	
-	-	-	-	-	160,000	160,000	
-	-	-	-	-	1,867,271	1,807,528	
-	-	-	-	-	968,625	942,172	
-	-	-	-	11,622	437,598	363,877	
-	-	-	-	-	37,832	56,533	
-	-	-	-	-	4,929,489	4,784,717	
-	-	-	-	-	10,431,108	10,237,326	
-	-	-	-	-	1,892,326	1,838,857	
-	-	-	-	-	1,043,636	815,390	
-	-	-	-	-	879,518	848,486	
11,055	321	-	-	11,639	31,271,104	30,304,642	
2,201	30	-	-	432	2,663	4,326	
-	-	10,475	-	6,045	471,359	521,997	
-	-	-	-	31,686	722,102	707,649	
-	-	-	-	-	614,910	739,012	
-	-	-	-	-	220,900	886,101	
-	-	-	-	-	186,908	-	
-	-	-	-	-	-	2,374,788	
2,201	30	10,475	-	38,163	2,218,842	5,233,873	
13,256	351	10,475	-	49,802	33,489,946	35,538,515	
855	1,496	(10,475)	-	(7,228)	88,907	997,751	
17,809	63	10,475	-	7,228	1,900,819	903,068	
\$ 18,664	\$ 1,559	\$ -	\$ -	\$ -	\$ 1,989,726	\$ 1,900,819	

## Budgeted Funds

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

Fiscal Year Ended June 30, 2012

(Amounts in thousands)

	General			Commonwealth Transportation		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES AND OTHER FINANCING SOURCES</b>						
Revenues:						
Taxes.....	\$ 18,116,200	\$ 18,626,161	\$ 509,961	\$ 1,000,800	\$ 972,760	\$ (28,040)
Assessments.....	-	438,400	438,400	-	21,511	21,511
Federal grants and reimbursements.....	7,877,100	7,966,393	89,293	-	-	-
Departmental.....	2,358,800	1,697,875	(660,925)	524,400	498,522	(25,878)
Miscellaneous.....	-	234,486	234,486	-	369	369
<b>Total revenues.....</b>	<b>28,352,100</b>	<b>28,963,315</b>	<b>611,215</b>	<b>1,525,200</b>	<b>1,493,162</b>	<b>(32,038)</b>
Other financing sources:						
Fringe benefit cost recovery.....	-	369,083	369,083	-	-	-
Lottery reimbursements.....	97,654	88,658	(8,996)	-	-	-
Lottery distributions.....	887,923	977,553	89,630	-	-	-
Operating transfers in.....	687,686	337,103	(350,583)	-	12,314	12,314
Stabilization transfer.....	194,000	215,408	21,408	-	-	-
Tobacco settlement transfer.....	286,737	253,628	(33,109)	-	-	-
<b>Total other financing sources.....</b>	<b>2,154,000</b>	<b>2,241,433</b>	<b>87,433</b>	<b>-</b>	<b>12,314</b>	<b>12,314</b>
<b>Total revenues and other financing sources.....</b>	<b>30,506,100</b>	<b>31,204,748</b>	<b>698,648</b>	<b>1,525,200</b>	<b>1,505,476</b>	<b>(19,724)</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>						
Expenditures:						
Legislature.....	63,901	58,337	5,564	-	-	-
Judiciary.....	773,447	757,507	15,940	-	-	-
Inspector General.....	3,541	2,818	723	-	-	-
Governor and Lieutenant Governor.....	10,121	6,466	3,655	-	-	-
Secretary of the Commonwealth.....	36,177	35,880	297	-	-	-
Treasurer and Receiver-General.....	203,101	187,115	15,986	-	-	-
Auditor of the Commonwealth.....	17,624	17,052	572	-	-	-
Attorney General.....	43,867	42,624	1,243	-	-	-
Ethics Commission.....	1,838	1,729	109	-	-	-
District Attorney.....	99,520	99,031	489	-	-	-
Office of Campaign and Political Finance.....	1,270	1,196	74	-	-	-
Sheriff's Departments.....	521,610	515,153	6,457	-	-	-
Disabled Persons Protection Commission.....	2,211	2,210	1	-	-	-
Board of Library Commissioners.....	21,461	21,441	20	-	-	-
Comptroller.....	7,899	7,867	32	-	-	-
Administration and finance.....	1,743,418	1,702,381	41,037	5,409	5,396	13
Energy and environmental affairs.....	182,848	175,432	7,416	-	-	-
Health and human services.....	4,761,790	4,710,533	51,257	-	-	-
Massachusetts department of transportation.....	-	-	-	160,000	160,000	-
Executive office of education.....	1,888,685	1,867,271	21,414	-	-	-
Public safety and homeland security.....	951,536	929,682	21,854	-	-	-
Housing and economic development.....	435,729	425,066	10,663	-	-	-
Labor and workforce development.....	46,033	37,832	8,201	-	-	-
Direct local aid.....	4,929,556	4,929,489	67	-	-	-
Medicaid.....	10,445,850	10,431,108	14,742	-	-	-
Post employment benefits.....	1,892,326	1,892,326	-	-	-	-
Debt service:						
Principal retirement.....	604,409	583,991	20,418	482,093	459,645	22,448
Interest and fiscal charges.....	465,817	436,232	29,585	472,956	443,286	29,670
<b>Total expenditures.....</b>	<b>30,155,585</b>	<b>29,877,769</b>	<b>277,816</b>	<b>1,120,458</b>	<b>1,068,327</b>	<b>52,131</b>
Other financing uses:						
Fringe benefit cost assessment.....	-	-	-	-	-	-
Operating transfers out.....	49,585	78,488	(28,903)	356,453	375,740	(19,287)
Stabilization transfer.....	-	375,021	(375,021)	-	84,987	(84,987)
Commonwealth care transfer.....	728,012	614,910	113,102	-	-	-
Medical assistance transfer.....	394,025	220,900	173,125	-	-	-
Delivery system transformation initiatives trust transfer.....	186,908	186,908	-	-	-	-
<b>Total other financing uses.....</b>	<b>1,358,530</b>	<b>1,476,227</b>	<b>(117,697)</b>	<b>356,453</b>	<b>460,727</b>	<b>(104,274)</b>
<b>Total expenditures and other financing uses.....</b>	<b>31,514,115</b>	<b>31,353,996</b>	<b>160,119</b>	<b>1,476,911</b>	<b>1,529,054</b>	<b>(52,143)</b>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	(1,008,015)	(149,248)	858,767	48,289	(23,578)	(71,867)
Fund balances (deficit) at beginning of year.....	450,897	450,897	-	31,159	31,159	-
<b>Fund balances (deficit) at end of year.....</b>	<b>\$ (557,118)</b>	<b>\$ 301,649</b>	<b>\$ 858,767</b>	<b>\$ 79,448</b>	<b>\$ 7,581</b>	<b>\$ (71,867)</b>

See accountants' review report

Commonwealth Stabilization			Administrative Control					
			Temporary Holding			Intragovernmental Service		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ 1,353	\$ 1,353	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
9,427	10,408	981	-	-	-	-	306,628	306,628
<u>9,427</u>	<u>11,761</u>	<u>2,334</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>306,628</u>	<u>306,628</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	491,694	491,694	-	-	-	-	14	14
-	-	-	-	-	-	-	-	-
-	491,694	491,694	-	-	-	-	14	14
<u>9,427</u>	<u>503,455</u>	<u>494,028</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>306,642</u>	<u>306,642</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	61	60	1
-	-	-	-	-	-	116	116	-
-	-	-	-	-	-	6,218	-	6,218
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	3,999	3,645	354
-	-	-	-	-	-	247,559	174,301	73,258
-	-	-	-	-	-	4,789	1,250	3,539
-	-	-	-	-	-	118,033	82,768	35,265
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,837	-	1,837
-	-	-	-	-	-	50,972	38,943	12,029
-	-	-	-	-	-	3,650	910	2,740
-	-	-	-	-	-	19,041	-	19,041
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	456,275	301,993	154,282
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	611	(611)
194,000	230,408	(36,408)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>194,000</u>	<u>230,408</u>	<u>(36,408)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>611</u>	<u>(611)</u>
<u>194,000</u>	<u>230,408</u>	<u>(36,408)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>456,275</u>	<u>302,604</u>	<u>153,671</u>
(184,573)	273,047	457,620	-	-	-	(456,275)	4,038	460,313
1,379,071	1,379,071	-	-	-	-	4,117	4,117	-
<u>\$ 1,194,498</u>	<u>\$ 1,652,118</u>	<u>\$ 457,620</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (452,158)</u>	<u>\$ 8,155</u>	<u>\$ 460,313</u>

continued

## Budgeted Funds

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

Fiscal Year Ended June 30, 2012

(Amounts in thousands)

	Environmental					
	Inland Fisheries and Game			Marine Recreational Fisheries Development		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES AND OTHER FINANCING SOURCES</b>						
Revenues:						
Taxes.....	\$ 900	\$ 873	\$ (27)	\$ -	\$ -	\$ -
Assessments.....	-	-	-	-	-	-
Federal grants and reimbursements.....	6,200	5,312	(888)	-	-	-
Departmental.....	6,417	7,719	1,302	556	1,234	678
Miscellaneous.....	-	30	30	-	-	-
Total revenues.....	<u>13,517</u>	<u>13,934</u>	<u>417</u>	<u>556</u>	<u>1,234</u>	<u>678</u>
Other financing sources:						
Fringe benefit cost recovery.....	-	-	-	-	-	-
Lottery reimbursements.....	-	-	-	-	-	-
Lottery distributions.....	-	-	-	-	-	-
Operating transfers in.....	100	177	77	-	613	613
Stabilization transfer.....	-	-	-	-	-	-
Tobacco settlement transfer.....	-	-	-	-	-	-
Total other financing sources.....	<u>100</u>	<u>177</u>	<u>77</u>	<u>-</u>	<u>613</u>	<u>613</u>
Total revenues and other financing sources.....	<u>13,617</u>	<u>14,111</u>	<u>494</u>	<u>556</u>	<u>1,847</u>	<u>1,291</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>						
Expenditures:						
Legislature.....	-	-	-	-	-	-
Judiciary.....	-	-	-	-	-	-
Inspector General.....	-	-	-	-	-	-
Governor and Lieutenant Governor.....	-	-	-	-	-	-
Secretary of the Commonwealth.....	-	-	-	-	-	-
Treasurer and Receiver-General.....	-	-	-	-	-	-
Auditor of the Commonwealth.....	-	-	-	-	-	-
Attorney General.....	-	-	-	-	-	-
Ethics Commission.....	-	-	-	-	-	-
District Attorney.....	-	-	-	-	-	-
Office of Campaign and Political Finance.....	-	-	-	-	-	-
Sheriff's Departments.....	-	-	-	-	-	-
Disabled Persons Protection Commission.....	-	-	-	-	-	-
Board of Library Commissioners.....	-	-	-	-	-	-
Comptroller.....	-	-	-	-	-	-
Administration and finance.....	-	-	-	-	-	-
Energy and environmental affairs.....	11,457	11,055	402	492	321	171
Health and human services.....	-	-	-	-	-	-
Massachusetts department of transportation.....	-	-	-	-	-	-
Executive office of education.....	-	-	-	-	-	-
Public safety and homeland security.....	-	-	-	-	-	-
Housing and economic development.....	-	-	-	-	-	-
Labor and workforce development.....	-	-	-	-	-	-
Direct local aid.....	-	-	-	-	-	-
Medicaid.....	-	-	-	-	-	-
Post employment benefits.....	-	-	-	-	-	-
Debt service:						
Principal retirement.....	-	-	-	-	-	-
Interest and fiscal charges.....	-	-	-	-	-	-
Total expenditures.....	<u>11,457</u>	<u>11,055</u>	<u>402</u>	<u>492</u>	<u>321</u>	<u>171</u>
Other financing uses:						
Fringe benefit cost assessment.....	1,600	2,201	(601)	-	30	(30)
Operating transfers out.....	-	-	-	-	-	-
Stabilization transfer.....	-	-	-	-	-	-
Commonwealth care transfer.....	-	-	-	-	-	-
Medical assistance transfer.....	-	-	-	-	-	-
Delivery system transformation initiatives trust transfer.....	-	-	-	-	-	-
Total other financing uses.....	<u>1,600</u>	<u>2,201</u>	<u>(601)</u>	<u>-</u>	<u>30</u>	<u>(30)</u>
Total expenditures and other financing uses.....	<u>13,057</u>	<u>13,256</u>	<u>(199)</u>	<u>492</u>	<u>351</u>	<u>141</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	560	855	295	64	1,496	1,432
Fund balances (deficit) at beginning of year.....	17,809	17,809	-	63	63	-
Fund balances (deficit) at end of year.....	<u>\$ 18,369</u>	<u>\$ 18,664</u>	<u>\$ 295</u>	<u>\$ 127</u>	<u>\$ 1,559</u>	<u>\$ 1,432</u>

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## Budgeted Funds

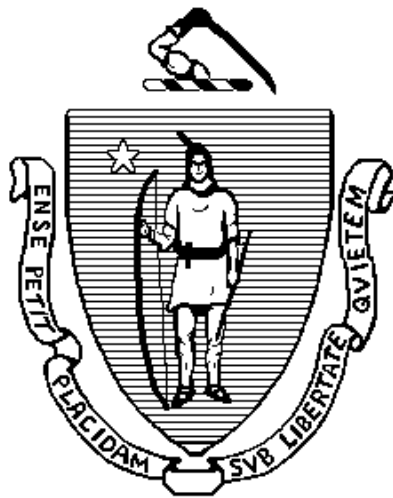
Combining Statements Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis - Budget And Actual

Fiscal Year Ended June 30, 2012

(Amounts in thousands)

	Totals (Memorandum only)		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES AND OTHER FINANCING SOURCES</b>			
Revenues:			
Taxes.....	\$ 19,159,700	\$ 19,643,721	\$ 484,021
Assessments.....	-	459,911	459,911
Federal grants and reimbursements.....	7,883,300	7,971,705	88,405
Departmental.....	2,890,173	2,511,978	(378,195)
Miscellaneous.....	9,427	245,293	235,866
<b>Total revenues.....</b>	<b>29,942,600</b>	<b>30,832,608</b>	<b>890,008</b>
Other financing sources:			
Fringe benefit cost recovery.....	-	369,083	369,083
Lottery reimbursements.....	97,654	88,658	(8,996)
Lottery distributions.....	887,923	977,553	89,630
Operating transfers in.....	687,786	350,221	(337,565)
Stabilization transfer.....	194,000	707,102	513,102
Tobacco settlement transfer.....	286,737	253,628	(33,109)
<b>Total other financing sources.....</b>	<b>2,154,100</b>	<b>2,746,245</b>	<b>592,145</b>
<b>Total revenues and other financing sources.....</b>	<b>32,096,700</b>	<b>33,578,853</b>	<b>1,482,153</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>			
Expenditures:			
Legislature.....	63,901	58,337	5,564
Judiciary.....	773,447	757,507	15,940
Inspector General.....	3,541	2,818	723
Governor and Lieutenant Governor.....	10,199	6,543	3,656
Secretary of the Commonwealth.....	36,293	35,996	297
Treasurer and Receiver-General.....	209,319	187,115	22,204
Auditor of the Commonwealth.....	17,624	17,052	572
Attorney General.....	43,867	42,624	1,243
Ethics Commission.....	1,838	1,729	109
District Attorney.....	99,520	99,031	489
Office of Campaign and Political Finance.....	1,270	1,196	74
Sheriff's Departments.....	521,610	515,153	6,457
Disabled Persons Protection Commission.....	2,211	2,210	1
Board of Library Commissioners.....	21,461	21,441	20
Comptroller.....	11,898	11,512	386
Administration and finance.....	1,996,386	1,882,078	114,308
Energy and environmental affairs.....	199,586	188,058	11,528
Health and human services.....	4,879,823	4,793,301	86,522
Massachusetts department of transportation.....	160,000	160,000	-
Executive office of education.....	1,890,522	1,867,271	23,251
Public safety and homeland security.....	1,002,508	968,625	33,883
Housing and economic development.....	451,002	437,598	13,404
Labor and workforce development.....	65,074	37,832	27,242
Direct local aid.....	4,929,556	4,929,489	67
Medicaid.....	10,445,850	10,431,108	14,742
Post employment benefits.....	1,892,326	1,892,326	-
Debt service:			
Principal retirement.....	1,086,502	1,043,636	42,866
Interest and fiscal charges.....	938,773	879,518	59,255
<b>Total expenditures.....</b>	<b>31,755,907</b>	<b>31,271,104</b>	<b>484,803</b>
Other financing uses:			
Fringe benefit cost assessment.....	1,900	2,663	(763)
Operating transfers out.....	406,038	471,359	(65,321)
Stabilization transfer.....	194,000	722,102	(528,102)
Commonwealth care transfer.....	728,012	614,910	113,102
Medical assistance transfer.....	394,025	220,900	173,125
Delivery system transformation initiatives trust transfer.....	186,908	186,908	-
<b>Total other financing uses.....</b>	<b>1,910,883</b>	<b>2,218,842</b>	<b>(307,959)</b>
<b>Total expenditures and other financing uses.....</b>	<b>33,666,790</b>	<b>33,489,946</b>	<b>176,844</b>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	(1,570,090)	88,907	1,658,997
Fund balances (deficit) at beginning of year.....	1,900,819	1,900,819	-
<b>Fund balances (deficit) at end of year.....</b>	<b>\$ 330,729</b>	<b>\$ 1,989,726</b>	<b>\$ 1,658,997</b>

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**General Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2012  
(Amounts in thousands)

	2012	2011
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 478,176	\$ 590,074
Receivables, net of allowance for uncollectibles:		
Due from federal government.....	550,072	481,297
Other receivables.....	17,307	21,104
Due from cities and towns.....	10,915	7,780
Total assets.....	\$ 1,056,470	\$ 1,100,255
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 616,625	\$ 524,629
Accrued payroll.....	138,196	124,729
Total liabilities.....	754,821	649,358
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	154,731	366,985
Unreserved fund balance:		
Undesignated.....	146,918	83,912
Total fund balance.....	301,649	450,897
Total liabilities and fund balance.....	\$ 1,056,470	\$ 1,100,255

See accountants' review report

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

Fiscal Year Ended June 30, 2012  
(Amounts in thousands)

	2012 Budget	2012 Actual	Variance Favorable (Unfavorable)	2011 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ 18,116,200	\$ 18,626,161	\$ 509,961	\$ 18,028,165
Assessments.....	-	438,400	438,400	430,033
Federal grants and reimbursements.....	7,877,100	7,966,393	89,293	9,295,310
Departmental.....	2,358,800	1,697,875	(660,925)	1,607,910
Miscellaneous.....	-	234,486	234,486	347,511
Total revenues.....	<u>28,352,100</u>	<u>28,963,315</u>	<u>611,215</u>	<u>29,708,929</u>
Other financing sources:				
Fringe benefit cost recovery.....	-	369,083	369,083	355,811
Lottery reimbursements.....	97,654	88,658	(8,996)	86,391
Lottery distributions.....	887,923	977,553	89,630	881,817
Operating transfers in.....	687,686	337,103	(350,583)	217,928
Stabilization transfer.....	194,000	215,408	21,408	9,044
Tobacco settlement transfer.....	286,737	253,628	(33,109)	248,741
Excess permissible tax revenue.....	-	-	-	1,178,350
Total other financing sources.....	<u>2,154,000</u>	<u>2,241,433</u>	<u>87,433</u>	<u>2,978,082</u>
Total revenues and other financing sources.....	<u>30,506,100</u>	<u>31,204,748</u>	<u>698,648</u>	<u>32,687,011</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Legislature.....	63,901	58,337	5,564	57,895
Judiciary.....	773,447	757,507	15,940	767,635
Inspector General.....	3,541	2,818	723	2,798
Governor and Lieutenant Governor.....	10,121	6,466	3,655	5,046
Secretary of the Commonwealth.....	36,177	35,880	297	39,360
Treasurer and Receiver-General.....	203,101	187,115	15,986	204,397
Auditor of the Commonwealth.....	17,624	17,052	572	17,015
Attorney General.....	43,867	42,624	1,243	41,020
Ethics Commission.....	1,838	1,729	109	1,660
District Attorney.....	99,520	99,031	489	93,699
Office of Campaign and Political Finance.....	1,270	1,196	74	1,170
Sheriff's Departments.....	521,610	515,153	6,457	502,556
Disabled Persons Protection Commission.....	2,211	2,210	1	2,174
Board of Library Commissioners.....	21,461	21,441	20	21,439
Comptroller.....	7,899	7,867	32	7,739

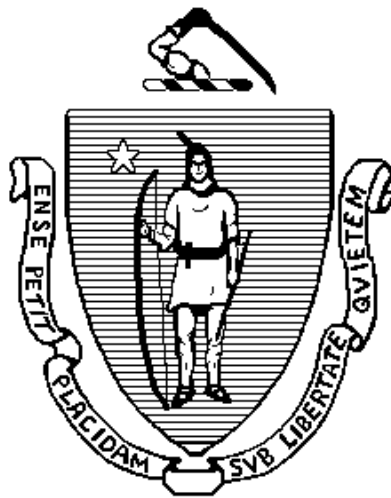
continued

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

Fiscal Year Ended June 30, 2012  
(Amounts in thousands)

	2012 Budget	2012 Actual	Variance Favorable (Unfavorable)	2011 Actual
Expenditures (continued):				
Administration and finance.....	1,743,418	1,702,381	41,037	1,618,057
Energy and environmental affairs.....	182,848	175,432	7,416	175,477
Health and human services.....	4,761,790	4,710,533	51,257	4,516,250
Executive office of education.....	1,888,685	1,867,271	21,414	1,807,528
Public safety and homeland security.....	951,536	929,682	21,854	897,819
Housing and economic development.....	435,729	425,066	10,663	360,949
Labor and workforce development.....	46,033	37,832	8,201	37,236
Direct local aid.....	4,929,556	4,929,489	67	4,784,717
Medicaid.....	10,445,850	10,431,108	14,742	10,237,326
Post employment benefits.....	1,892,326	1,892,326	-	1,838,857
Debt service:				
Principal retirement.....	604,409	583,991	20,418	428,607
Interest and fiscal charges.....	465,817	436,232	29,585	431,507
Total expenditures.....	<u>30,155,585</u>	<u>29,877,769</u>	<u>277,816</u>	<u>28,899,933</u>
Other financing uses:				
Operating transfers out.....	49,585	78,488	(28,903)	127,283
Stabilization transfer.....	-	375,021	(375,021)	553,044
Commonwealth care transfer.....	728,012	614,910	113,102	739,012
Medical assistance transfer.....	394,025	220,900	173,125	886,101
Delivery system transformation initiatives trust transfer.....	186,908	186,908	-	-
Excess permissible tax revenue.....	-	-	-	1,187,394
Total other financing uses.....	<u>1,358,530</u>	<u>1,476,227</u>	<u>(117,697)</u>	<u>3,492,834</u>
Total expenditures and other financing uses.....	<u>31,514,115</u>	<u>31,353,996</u>	<u>160,119</u>	<u>32,392,767</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....				
	(1,008,015)	(149,248)	858,767	294,244
Fund balance (deficit) at beginning of year.....	450,897	450,897	-	156,653
Fund balance (deficit) at end of year.....	<u>\$ (557,118)</u>	<u>\$ 301,649</u>	<u>\$ 858,767</u>	<u>\$ 450,897</u>

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**Commonwealth Transportation Fund  
Balance Sheet - Statutory Basis**

June 30, 2012  
(Amounts in thousands)

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 855	\$ 24,603
Cash with fiscal agent.....	7,581	19,239
Total assets.....	<u>\$ 8,436</u>	<u>\$ 43,842</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 855	\$ 4,411
Accrued payroll.....	-	8,272
Total liabilities.....	<u>855</u>	<u>12,683</u>
Fund balance:		
Reserved fund balance:		
Reserved for debt service.....	7,581	19,239
Unreserved fund balance:		
Undesignated.....	-	11,920
Total fund balance.....	<u>7,581</u>	<u>31,159</u>
Total liabilities and fund balance.....	<u>\$ 8,436</u>	<u>\$ 43,842</u>

See accountants' review report



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

Fiscal Year Ended June 30, 2012  
(Amounts in thousands)

	2012 Budget	2012 Actual	Variance Favorable (Unfavorable)	2011 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ 1,000,800	\$ 972,760	\$ (28,040)	\$ 962,090
Assessments.....	-	21,511	21,511	13,370
Departmental.....	524,400	498,522	(25,878)	485,839
Miscellaneous.....	-	369	369	32
Total revenues.....	<u>1,525,200</u>	<u>1,493,162</u>	<u>(32,038)</u>	<u>1,461,331</u>
Other financing sources:				
Operating transfers in.....	-	12,314	12,314	5,405
Total other financing sources.....	<u>-</u>	<u>12,314</u>	<u>12,314</u>	<u>5,405</u>
Total revenues and other financing sources.....	<u>1,525,200</u>	<u>1,505,476</u>	<u>(19,724)</u>	<u>1,466,736</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Administration and finance.....	5,409	5,396	13	9,618
Massachusetts department of transportation.....	160,000	160,000	-	160,000
Debt service:				
Principal retirement.....	482,093	459,645	22,448	386,783
Interest and fiscal charges.....	472,956	443,286	29,670	416,979
Total expenditures.....	<u>1,120,458</u>	<u>1,068,327</u>	<u>52,131</u>	<u>973,380</u>
Other financing uses:				
Operating transfers out.....	356,453	375,740	(19,287)	386,143
Stabilization transfer.....	-	84,987	(84,987)	86,901
Total other financing uses.....	<u>356,453</u>	<u>460,727</u>	<u>(104,274)</u>	<u>473,044</u>
Total expenditures and other financing uses.....	<u>1,476,911</u>	<u>1,529,054</u>	<u>(52,143)</u>	<u>1,446,424</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....				
	48,289	(23,578)	(71,867)	20,312
Fund balance (deficit) at beginning of year.....	31,159	31,159	-	10,847
Fund balance (deficit) at end of year.....	<u>\$ 79,448</u>	<u>\$ 7,581</u>	<u>\$ (71,867)</u>	<u>\$ 31,159</u>

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**Commonwealth Stabilization Fund**  
**Balance Sheet- Statutory Basis**

June 30, 2012  
(Amounts in thousands)

	2012	2011
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 1,392,060	\$ 1,123,168
Investments.....	260,058	255,903
Total assets.....	\$ 1,652,118	\$ 1,379,071
<b>LIABILITIES AND FUND EQUITY</b>		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	-	-
Fund balance:		
Reserved fund balance:		
Reserved for Commonwealth Stabilization.....	1,652,118	1,379,071
Total fund balance.....	1,652,118	1,379,071
Total liabilities and fund balance.....	\$ 1,652,118	\$ 1,379,071

See accountants' review report

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

Fiscal Year Ended June 30, 2012  
(Amounts in thousands)

	2012 Budget	2012 Actual	Variance Favorable (Unfavorable)	2011 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ -	\$ 1,353	\$ 1,353	\$ 1,619
Miscellaneous.....	9,427	10,408	981	9,044
Total revenues.....	<u>9,427</u>	<u>11,761</u>	<u>2,334</u>	<u>10,663</u>
Other financing sources:				
Stabilization transfer.....	-	491,694	491,694	698,605
Excess permissible tax revenue.....	-	-	-	9,044
Total other financing sources.....	<u>-</u>	<u>491,694</u>	<u>491,694</u>	<u>707,649</u>
Total revenues and other financing sources.....	<u>9,427</u>	<u>503,455</u>	<u>494,028</u>	<u>718,312</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Administration and finance.....	-	-	-	-
Total expenditures.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing uses:				
Stabilization transfer.....	194,000	230,408	(36,408)	9,044
Total other financing uses.....	<u>194,000</u>	<u>230,408</u>	<u>(36,408)</u>	<u>9,044</u>
Total expenditures and other financing uses.....	<u>194,000</u>	<u>230,408</u>	<u>(36,408)</u>	<u>9,044</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	(184,573)	273,047	457,620	709,268
Fund balance (deficit) at beginning of year.....	<u>1,379,071</u>	<u>1,379,071</u>	<u>-</u>	<u>669,803</u>
Fund balance (deficit) at end of year.....	<u>\$ 1,194,498</u>	<u>\$ 1,652,118</u>	<u>\$ 457,620</u>	<u>\$ 1,379,071</u>

See accountants' review report

**Temporary Holding Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2012  
(Amounts in thousands)

	2012	2011
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	\$ -	\$ -
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	-	-
Fund balance:		
Unreserved fund balance:		
Undesignated.....	-	-
Total fund balance.....	-	-
Total liabilities and fund balance.....	\$ -	\$ -

See accountants' review report

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

Fiscal Year Ended June 30, 2012  
(Amounts in thousands)

	2012 Budget	2012 Actual	Variance Favorable (Unfavorable)	2011 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Miscellaneous.....	\$ -	\$ -	\$ -	\$ -
Total revenues.....	-	-	-	-
Other financing sources:				
Excess permissible tax revenue.....	-	-	-	1,187,394
Total other financing sources.....	-	-	-	1,187,394
Total revenues and other financing sources.....	-	-	-	1,187,394
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Administration and finance.....	-	-	-	-
Total expenditures.....	-	-	-	-
Other financing uses:				
Excess permissible tax revenue.....	-	-	-	1,187,394
Total other financing uses.....	-	-	-	1,187,394
Total expenditures and other financing uses.....	-	-	-	1,187,394
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

**Intragovernmental Service Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2012  
(Amounts in thousands)

	2012	2011
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 33,911	\$ 28,410
Total assets.....	\$ 33,911	\$ 28,410
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 22,239	\$ 21,325
Accrued payroll.....	3,517	2,968
Total liabilities.....	25,756	24,293
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	8,155	4,117
Total fund balance .....	8,155	4,117
Total liabilities and fund balance.....	\$ 33,911	\$ 28,410

See accountants' review report

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

Fiscal Year Ended June 30, 2012  
(Amounts in thousands)

	2012 Budget	2012 Actual	Variance Favorable (Unfavorable)	2011 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental.....	\$ -	\$ 306,628	\$ 306,628	\$ 296,666
Total revenues.....	-	306,628	306,628	296,666
Other financing sources:				
Operating transfers in.....	-	14	14	36
Total other financing sources.....	-	14	14	36
Total revenues and other financing sources.....	-	306,642	306,642	296,702
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Governor and Lieutenant Governor.....	61	60	1	59
Secretary of the Commonwealth.....	116	116	-	115
Treasurer and Receiver-General.....	6,218	-	6,218	-
Attorney General.....	-	-	-	9
Comptroller.....	3,999	3,645	354	3,506
Administration and finance.....	247,559	174,301	73,258	172,948
Energy and environmental affairs.....	4,789	1,250	3,539	2,528
Health and human services.....	118,033	82,768	35,265	76,366
Executive office of education.....	1,837	-	1,837	-
Public safety and homeland security.....	50,972	38,943	12,029	37,123
Housing and economic development.....	3,650	910	2,740	932
Labor and workforce development.....	19,041	-	19,041	16
Total expenditures.....	456,275	301,993	154,282	293,602
Other financing uses:				
Operating transfers out.....	-	611	(611)	3,073
Total other financing uses.....	-	611	(611)	3,073
Total expenditures and other financing uses.....	456,275	302,604	153,671	296,675
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....				
	(456,275)	4,038	460,313	27
Fund balance (deficit) at beginning of year.....	4,117	4,117	-	4,090
Fund balance (deficit) at end of year.....	\$ (452,158)	\$ 8,155	\$ 460,313	\$ 4,117

See accountants' review report

**Inland Fisheries And Game Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2012  
(Amounts in thousands)

	2012	2011
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 19,427	\$ 18,326
Total assets.....	\$ 19,427	\$ 18,326
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 481	\$ 319
Accrued payroll.....	282	198
Total liabilities.....	763	517
Fund balance:		
Unreserved fund balance:		
Undesignated.....	18,664	17,809
Total fund balance.....	18,664	17,809
Total liabilities and fund balance.....	\$ 19,427	\$ 18,326

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, 2012  
(Amounts in thousands)

	2012 Budget	2012 Actual	Variance Favorable (Unfavorable)	2011 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ 900	\$ 873	\$ (27)	\$ 871
Federal grants and reimbursements.....	6,200	5,312	(888)	4,236
Departmental.....	6,417	7,719	1,302	7,206
Miscellaneous.....	-	30	30	21
Total revenues.....	<u>13,517</u>	<u>13,934</u>	<u>417</u>	<u>12,334</u>
Other financing sources:				
Operating transfers in.....	<u>100</u>	<u>177</u>	<u>77</u>	<u>138</u>
Total other financing sources.....	<u>100</u>	<u>177</u>	<u>77</u>	<u>138</u>
Total revenues and other financing sources.....	<u>13,617</u>	<u>14,111</u>	<u>494</u>	<u>12,472</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Energy and environmental affairs.....	<u>11,457</u>	<u>11,055</u>	<u>402</u>	<u>10,068</u>
Total expenditures.....	<u>11,457</u>	<u>11,055</u>	<u>402</u>	<u>10,068</u>
Other financing uses				
Fringe benefit cost assessment.....	<u>1,600</u>	<u>2,201</u>	<u>(601)</u>	<u>1,939</u>
Total other financing uses.....	<u>1,600</u>	<u>2,201</u>	<u>(601)</u>	<u>1,939</u>
Total expenditures and other financing uses.....	<u>13,057</u>	<u>13,256</u>	<u>(199)</u>	<u>12,007</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	560	855	295	465
Fund balance (deficit) at beginning of year.....	<u>17,809</u>	<u>17,809</u>	<u>-</u>	<u>17,344</u>
Fund balance (deficit) at end of year.....	<u>\$ 18,369</u>	<u>\$ 18,664</u>	<u>\$ 295</u>	<u>\$ 17,809</u>

See accountants' review report

**Marine Recreational Fisheries Development Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2012  
(Amounts in thousands)

	2012	2011
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 1,578	\$ 67
Total assets.....	\$ 1,578	\$ 67
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 8	\$ 4
Accrued payroll.....	11	-
Total liabilities.....	19	4
Fund balance:		
Unreserved fund balance:		
Undesignated.....	1,559	63
Total fund balance.....	1,559	63
Total liabilities and fund balance.....	\$ 1,578	\$ 67

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, 2012  
(Amounts in thousands)

	2012 Budget	2012 Actual	Variance Favorable (Unfavorable)	2011 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental.....	\$ 556	\$ 1,234	\$ 678	\$ 717
Total revenues.....	556	1,234	678	717
Other financing sources:				
Operating transfers in.....	-	613	613	-
Total other financing sources.....	-	613	613	-
Total revenues and other financing sources.....	556	1,847	1,291	717
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Energy and environmental affairs.....	492	321	171	41
Total expenditures.....	492	321	171	41
Other financing uses				
Fringe benefit cost assessment.....	-	30	(30)	-
Operating transfers out.....	-	-	-	155
Stabilization transfer.....	-	-	-	458
Total other financing uses.....	-	30	(30)	613
Total expenditures and other financing uses.....	492	351	141	654
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	64	1,496	1,432	63
Fund balance (deficit) at beginning of year.....	63	63	-	-
Fund balance (deficit) at end of year.....	\$ 127	\$ 1,559	\$ 1,432	\$ 63

See accountants' review report

**Workforce Training Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2012  
(Amounts in thousands)

	2012	2011
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ 11,345
Total assets.....	\$ -	\$ 11,345
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ -	\$ 752
Accrued payroll.....	-	118
Total liabilities.....	-	870
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	-	9,720
Unreserved fund balance:		
Undesignated.....	-	755
Total fund balance.....	-	10,475
Total liabilities and fund balance.....	\$ -	\$ 11,345

See accountants' review report

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

Fiscal Year Ended June 30, 2012  
(Amounts in thousands)

	2012 Budget	2012 Actual	Variance Favorable (Unfavorable)	2011 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ -	\$ -	\$ -	\$ 20,448
Total revenues.....	-	-	-	20,448
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	-	-	-	20,448
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Labor and workforce development.....	-	-	-	19,281
Total expenditures.....	-	-	-	19,281
Other financing uses:				
Fringe benefit cost assessment.....	-	-	-	521
Operating transfers out.....	-	10,475	(10,475)	816
Stabilization transfer.....	-	-	-	5,508
Total other financing uses.....	-	10,475	(10,475)	6,845
Total expenditures and other financing uses.....	-	10,475	(10,475)	26,126
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	-	(10,475)	(10,475)	(5,678)
Fund balance (deficit) at beginning of year.....	10,475	10,475	-	16,153
Fund balance (deficit) at end of year.....	\$ 10,475	\$ -	\$ (10,475)	\$ 10,475

See accountants' review report

**Substance Abuse Prevention & Treatment Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2012  
(Amounts in thousands)

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	<u>-</u>	<u>-</u>
Total fund balance.....	<u>-</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

See accountants' review report

**Substance Abuse Prevention & Treatment Fund**  
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2012  
(Amounts in thousands)

	2012 Budget	2012 Actual	Variance Favorable (Unfavorable)	2011 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ -	\$ -	\$ -	\$ 43,102
Total revenues.....	-	-	-	43,102
Other financing sources:				
Operating transfers in.....	-	-	-	64,732
Total other financing sources.....	-	-	-	64,732
Total revenues and other financing sources.....	-	-	-	107,834
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Sheriff's Departments.....	-	-	-	497
Health and human services.....	-	-	-	98,597
Public safety and homeland security.....	-	-	-	7,230
Total expenditures.....	-	-	-	106,324
Other financing uses:				
Fringe benefit cost assessment.....	-	-	-	1,510
Total other financing uses.....	-	-	-	1,510
Total expenditures and other financing uses.....	-	-	-	107,834
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

**Massachusetts Tourism Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2012  
(Amounts in thousands)

	2012	2011
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 167	\$ 7,289
Total assets.....	\$ 167	\$ 7,289
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 119	\$ 24
Accrued payroll.....	48	37
Total liabilities.....	167	61
Fund balance:		
Unreserved fund balance:		
Undesignated.....	-	7,228
Total fund balance.....	-	7,228
Total liabilities and fund balance.....	\$ 167	\$ 7,289

See accountants' review report

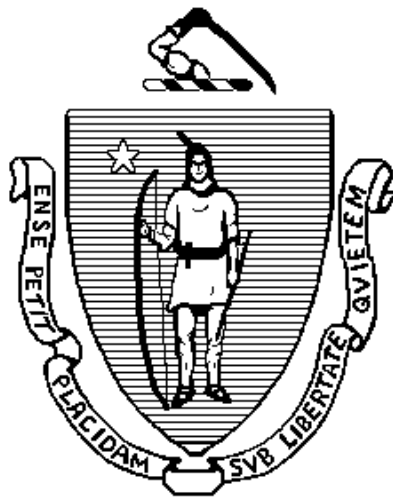


**Massachusetts Tourism Fund**  
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2012  
(Amounts in thousands)

	2012 Budget	2012 Actual	Variance Favorable (Unfavorable)	2011 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ 41,800	\$ 42,574	\$ 774	\$ 38,640
Total revenues.....	41,800	42,574	774	38,640
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	41,800	42,574	774	38,640
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Governor and Lieutenant Governor.....	17	17	-	17
Housing and economic development.....	11,623	11,622	1	1,996
Total expenditures.....	11,640	11,639	1	2,013
Other financing uses:				
Fringe benefit cost assessment.....	300	432	(132)	356
Operating transfers out.....	-	6,045	(6,045)	4,527
Stabilization transfer.....	-	31,686	(31,686)	52,694
Total other financing uses.....	300	38,163	(37,863)	57,577
Total expenditures and other financing uses.....	11,940	49,802	(37,862)	59,590
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	29,860	(7,228)	(37,088)	(20,950)
Fund balance (deficit) at beginning of year.....	7,228	7,228	-	28,178
Fund balance (deficit) at end of year.....	\$ 37,088	\$ -	\$ (37,088)	\$ 7,228

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

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

## **GAMING:**

This fund accounts for the operations of the Massachusetts Gaming Commission (MGC).

*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).

## **UNIVERSAL HEALTH CARE FUNDS:**

The seven 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.

*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 purposes of the demonstration program approved by the Secretary of the United States Department of Health and Human Services under section 1115 of the Social Security Act, as extended or renewed from time to time and individual health care coverage penalties 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.

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

*Money Follows the Person Rebalancing Demonstration Grant Trust Fund* – to account for funds used for expenses that primarily benefit individuals who have disabilities or long-term illnesses or who are elders. The funds shall be used to fund slots for participants in the two new “money follows the person” home and community-based waiver programs established to support the commonwealth’s rebalancing initiative. Monies equal to the amount of federal financial participation collected from the previous quarter shall be transferred to the fund. Expenses may be incurred, after written approval from the Secretary of Administration and Finance, and the comptroller shall certify for payment, amounts not to exceed the most recent revenue estimate as certified by the MassHealth director.

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

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

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State and Federal program and subject to certain family income limits.

## **OTHER FUNDS:**

The other minor 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.

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

***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.

***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.

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

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

***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.

***Community Preservation Trust Fund*** – to account for revenues received from surcharges on real estate property taxes, public and private sources as gifts, grants and donations, from damages, penalties costs from litigation settlements and surcharge on municipal liens imposed by the cities and towns who 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. Any year-end balance in excess of 20% of the prior year's expenditures revert to the General Fund.

***Victims of Drunk Driving Trust Fund*** – to account for fines collected from convicted individuals 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 three percent 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.

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**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 911 department to automatically identify a telephone number used to place or route a 911 call.

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

**Smart Growth Housing Trust Fund** – to account for revenues from the sale of surplus property for the total amount of sales between \$25 million to \$50 million, or appropriations from the General Fund and monetary sanctions imposed by the department. This fund is controlled by the Department of Housing and Community Development for the purpose of making payments to communities under the Smart Growth and Housing Production program.

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

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

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

**Roche Community Rink Fund** – to account for revenues generated from fees, fines, leases, gifts, grants, interest or any other revenue sources at the Roche Community Rink, formerly the Bryant Rink, in the West Roxbury section of the city of Boston. Expenditures are for operational costs,

capital improvements, equipment and maintenance of said rink, including the costs of personnel.

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

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

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

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

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

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

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

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**Health Information Technology Trust Fund** – to account for federal reimbursements received under the Health Information Technology for Economic and Clinical Health Act and other revenues received from or in support of the health care provider incentive payment program for incentive payments to eligible Massachusetts Medicaid health care providers and for the promotion of electronic health record adoption and health information exchange in the Commonwealth. This fund may incur a deficit, after approval from the Secretary of Administration and Finance, in an amount not to exceed the most recent revenue estimate as certified by the MassHealth Director.

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

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

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

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

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

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

**Regional Greenhouse Gas Initiative (RGGI) Auction Trust Fund** – to account for expenditures by the Department of Environmental Protection in consultation with the Department of Energy Resources to adopt rules and regulations establishing a carbon dioxide cap to limit and reduce the total carbon dioxide emissions released by electricity-generating stations.

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

**Ocean Resources and Waterways Trust Fund** – to account for funds appropriated, investment income, grants or ocean development mitigation fees received; used to restore or enhance marine habitat and resources impacted 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 unemployment surcharge on taxable wages on employers. Expenditures are used 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.

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

**Substance Abuse Services Fund** – to account for funds used to expand inpatient treatment facilities and ongoing case management for individuals civilly committed under Section 35 of Chapter 123 of the General Laws. \$10 million will be transferred from the General Fund upon

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submission of an approved spending plan. This fund shall remain in effect until June 30, 2013.

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

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

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

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

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

**Massachusetts Military Family Relief Fund** – to account for revenues received by the Commonwealth under the provisions of section 6K of Chapter 62, from public and private sources as gifts, grants, and donations to further the purposes of the fund, which is to help members of the Massachusetts National Guard and Massachusetts residents who are members of the Armed Forces of the United States and who were called to active duty after September 11, 2001.

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

**Massachusetts AIDS Fund** – to account for gifts, grants, and donations; used for research, treatment, and education related to acquired immune deficiency syndrome.

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

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

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

**Child Care Quality Fund** – to account for revenues received from the sale of “Invest in Children” distinctive registration plates issues 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 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 grant anticipation note expenditures and pay the related debt service of the proceeds.

## **MASSACHUSETTS DEPARTMENT OF TRANSPORTATION (MassDOT) FUNDS:**

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

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**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 vehicle inspection fees for administration and operation of safety inspection programs by the Registry of Motor Vehicles.

The following funds have been enacted in legislation but were inactive in FY12 and are not presented in this report:

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

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

**Health Care Workforce Transformation Fund** – to account for all revenue received under Section 28 of Chapter 224 of the Acts of 2012. Expenditures of not more than 10% of the amount held in the fund in any one year shall be used by the Secretary of Health and Human Services for the combined cost of program administration, technical assistance to grantees and program evaluation. Funds of not less than 20% may be transferred to the Department of Public Health and up to 10% may be transferred to the Massachusetts Nursing and Allied Health Workforce Development Trust Fund, established in Section 33 of Chapter 30S of the Acts of 2008. Funds remaining shall be expended by the Executive Office of Labor and Workforce Development in accordance with Section 28 of Chapter 224 of the Acts of 2012.

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

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

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

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

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

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

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

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

**Transportation Infrastructure and Development Fund** – to account for monies transferred from the Gaming Revenue Fund and all other monies credited or transferred to the fund from any other fund or source and proceeds from the investment of such funds. Expenditures shall not be made until the Secretary of Administration and Finance has provided written approval annually of a proposed spending plan. Any expenditures from this fund shall be solely for the purpose of transportation and related infrastructure projects including but not limited to,



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transit expansion and maintenance. Not less than 50% of such expenditures shall be dedicated for the purpose of supplementing, and not offsetting, any expenditures made for the construction and reconstruction of municipal ways as described in Section 4 of Chapter 6C of the General Laws.

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

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

***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 all amounts collected under Section 18 of Chapter 25 of the General Laws and any income derived from the investment of amounts credited to the Fund. Monies from this fund shall be used in investigating the preparation for and response to storm and other emergency events by electric companies in the Commonwealth.

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

Fiscal Year Ended June 30, 2012  
 (Amounts in thousands)

	Lotteries			Gaming	Universal Health Care Funds		
	Federal Grants	State Lottery	Arts Lottery	Massachusetts Gaming Control	Commonwealth Care Trust	Medical Assistance Trust	Health Safety Net Trust
<b>REVENUES AND OTHER FINANCING SOURCES</b>							
Revenues:							
Taxes.....	\$ -	\$ 759	\$ -	\$ -	\$ 144,811	\$ -	\$ -
Assessments.....	-	-	-	-	-	-	340,675
Federal grants and reimbursements.....	2,655,140	-	-	-	-	-	-
Tobacco settlement revenue.....	-	-	-	-	-	-	-
Departmental.....	-	4,847,606	92,230	-	19,500	140,000	944
Miscellaneous.....	-	1,299	76	-	63,613	-	307
<b>Total revenues.....</b>	<b>2,655,140</b>	<b>4,849,664</b>	<b>92,306</b>	<b>-</b>	<b>227,924</b>	<b>140,000</b>	<b>341,926</b>
Other financing sources:							
Proceeds of refunding bonds.....	-	-	-	-	-	-	-
Operating transfers in.....	-	-	70,960	-	-	-	-
Stabilization transfer.....	-	-	-	15,000	-	-	-
Commonwealth care trust transfer.....	-	-	-	-	614,910	-	-
Health safety net trust transfer.....	-	-	-	-	-	-	30,000
Medical assistance transfer.....	-	-	-	-	-	220,900	-
Delivery system transformation initiatives trust transfer.....	-	-	-	-	-	-	-
<b>Total other financing sources.....</b>	<b>-</b>	<b>-</b>	<b>70,960</b>	<b>15,000</b>	<b>614,910</b>	<b>220,900</b>	<b>30,000</b>
<b>Total revenues and other financing sources.....</b>	<b>2,655,140</b>	<b>4,849,664</b>	<b>163,266</b>	<b>15,000</b>	<b>842,834</b>	<b>360,900</b>	<b>371,926</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>							
Expenditures:							
Judiciary.....	1,147	-	-	-	-	-	-
Inspector General.....	-	-	-	-	-	-	298
Governor and Lieutenant Governor.....	-	-	-	-	-	-	-
Secretary of the Commonwealth.....	1,709	-	-	-	-	-	-
Treasurer and Receiver-General.....	2,754	3,788,586	78,454	-	-	-	-
Attorney General.....	9,022	-	-	-	-	-	-
District Attorney.....	2,106	-	-	-	-	-	-
Office of Campaign and Political Finance.....	-	-	-	-	-	-	-
Sheriff's Departments.....	4,348	-	-	-	-	-	-
Disabled Persons Protection Commission.....	-	-	-	-	-	-	-
Board of Library Commissioners.....	2,833	-	-	-	-	-	-
Massachusetts Gaming Commission.....	-	-	-	791	-	-	-
Comptroller.....	-	-	-	-	-	-	-
Administration and finance.....	5,500	-	-	-	-	-	-
Energy and environmental affairs.....	79,500	-	-	-	-	-	-
Health and human services.....	437,769	-	-	-	841,264	359,718	370,075
Massachusetts department of transportation.....	7,652	-	-	-	-	-	-
Executive office of education.....	1,102,903	-	-	-	-	-	-
Public safety and homeland security.....	171,829	-	-	-	-	-	-
Housing and economic development.....	516,251	-	-	-	-	-	-
Labor and workforce development.....	170,018	-	-	-	-	-	-
Debt service:							
Principal retirement.....	-	-	-	-	-	-	-
Interest and fiscal charges.....	-	-	-	-	-	-	-
<b>Total expenditures.....</b>	<b>2,515,341</b>	<b>3,788,586</b>	<b>78,454</b>	<b>791</b>	<b>841,264</b>	<b>359,718</b>	<b>370,373</b>
Other financing uses:							
Payments to advance refunding escrow agent.....	-	-	-	-	-	-	-
Fringe benefit cost assessment.....	64,087	8,719	-	64	-	-	52
Lottery operating reimbursements.....	-	82,460	6,198	-	-	-	-
Lottery distributions.....	-	898,939	78,614	-	-	-	-
Operating transfers out.....	51,583	70,960	-	-	-	-	16
Tobacco settlement transfer.....	-	-	-	-	-	-	-
Health safety net trust transfer.....	-	-	-	-	30,000	-	-
Federal reimbursement transfer out.....	-	-	-	-	-	-	-
<b>Total other financing uses.....</b>	<b>115,670</b>	<b>1,061,078</b>	<b>84,812</b>	<b>64</b>	<b>30,000</b>	<b>-</b>	<b>68</b>
<b>Total expenditures and other financing uses.....</b>	<b>2,631,011</b>	<b>4,849,664</b>	<b>163,266</b>	<b>855</b>	<b>871,264</b>	<b>359,718</b>	<b>370,441</b>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	24,129	-	-	14,145	(28,430)	1,182	1,485
Fund balance (deficit) at beginning of year (restated).....	59,584	-	-	-	82,064	211	100,530
<b>Fund balance (deficit) at end of year.....</b>	<b>\$ 83,713</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,145</b>	<b>\$ 53,634</b>	<b>\$ 1,393</b>	<b>\$ 102,015</b>

See accountants' review report

Universal Health Care Funds				Non-Budgeted Other Funds				
Delivery System Transformation Initiatives Trust	Money Follows the Person Rebalancing Demonstration Grant Trust	Medical Security Trust	Catastrophic Illness in Children Relief	Department of Telecommunication and Energy Trust	Liability Management and Reduction	Health Care Security Trust	Commonwealth of Massachusetts Civil Monetary Penalty (CMP)	MBTA State and Local Contribution
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 779,091
-	-	-	-	5,306	-	-	-	152,100
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	253,628	-	-
-	-	167,788	-	-	1,901	-	643	-
22,426	-	-	2	-	3	-	-	-
22,426	-	167,788	2	5,306	1,904	253,628	643	931,191
-	-	-	-	-	-	-	-	-
-	177	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
186,908	-	-	-	-	-	-	-	-
186,908	177	-	-	-	-	-	-	-
209,334	177	167,788	2	5,306	1,904	253,628	643	931,191
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	931,191
-	-	-	-	-	82	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	1,818	-	-	-
-	-	-	-	-	-	-	-	-
209,252	-	-	550	3,482	-	-	152	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	163,185	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
209,252	-	163,185	550	3,482	1,900	-	152	931,191
-	-	-	-	-	-	-	-	-
-	-	889	61	792	24	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	63	29	304	-	-	-	-
-	-	-	-	-	-	253,628	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	952	90	1,096	24	253,628	-	-
209,252	-	164,137	640	4,578	1,924	253,628	152	931,191
82	177	3,651	(638)	728	(20)	-	491	-
-	-	(80,682)	882	631	2,968	-	881	-
\$ 82	\$ 177	\$ (77,031)	\$ 244	\$ 1,359	\$ 2,948	\$ -	\$ 1,372	\$ -

continued

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

Fiscal Year Ended June 30, 2012  
 (Amounts in thousands)

	Non-Budgeted Other Funds						
	MBTA Infrastructure Renovation	Community Preservation Trust	Health Insurance Portability and Accountability Act	State Racing	Division of Professional Licensure Trust	Victims of Drunk Driving Trust	State Athletic Commission
<b>REVENUES AND OTHER FINANCING SOURCES</b>							
Revenues:							
Taxes.....	\$ -	\$ 27,363	\$ -	\$ 1,635	\$ -	\$ -	\$ 53
Assessments.....	-	-	-	770	-	-	-
Federal grants and reimbursements.....	-	-	13,471	-	-	-	-
Tobacco settlement revenue.....	-	-	-	-	-	-	-
Departmental.....	-	-	-	517	8,683	700	44
Miscellaneous.....	-	29	-	504	-	3	-
<b>Total revenues.....</b>	<b>-</b>	<b>27,392</b>	<b>13,471</b>	<b>3,426</b>	<b>8,683</b>	<b>703</b>	<b>97</b>
Other financing sources:							
Proceeds of refunding bonds.....	-	-	-	-	-	-	-
Operating transfers in.....	-	-	-	-	-	-	-
Stabilization transfer.....	-	-	-	-	-	-	-
Commonwealth care trust transfer.....	-	-	-	-	-	-	-
Health safety net trust transfer.....	-	-	-	-	-	-	-
Medical assistance transfer.....	-	-	-	-	-	-	-
Delivery system transformation initiatives trust transfer.....	-	-	-	-	-	-	-
<b>Total other financing sources.....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total revenues and other financing sources.....</b>	<b>-</b>	<b>27,392</b>	<b>13,471</b>	<b>3,426</b>	<b>8,683</b>	<b>703</b>	<b>97</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>							
Expenditures:							
Judiciary.....	-	-	-	-	-	251	-
Inspector General.....	-	-	-	-	-	-	-
Governor and Lieutenant Governor.....	-	-	-	-	-	-	-
Secretary of the Commonwealth.....	-	-	-	-	-	-	-
Treasurer and Receiver-General.....	1,104	-	-	-	-	-	-
Attorney General.....	-	-	-	-	-	456	-
District Attorney.....	-	-	-	-	-	-	-
Office of Campaign and Political Finance.....	-	-	-	-	-	-	-
Sheriff's Departments.....	-	-	-	-	-	-	-
Disabled Persons Protection Commission.....	-	-	-	-	-	-	-
Board of Library Commissioners.....	-	-	-	-	-	-	-
Massachusetts Gaming Commission.....	-	-	-	-	-	-	-
Comptroller.....	-	-	-	-	-	-	-
Administration and finance.....	-	26,309	-	-	-	-	-
Energy and environmental affairs.....	-	-	-	-	-	-	-
Health and human services.....	-	-	12,400	58	-	-	-
Massachusetts department of transportation.....	-	-	-	-	-	-	-
Executive office of education.....	-	-	-	-	-	-	-
Public safety and homeland security.....	-	-	-	-	-	-	46
Housing and economic development.....	-	-	-	765	7,277	-	-
Labor and workforce development.....	-	-	-	-	-	-	-
Debt service:							
Principal retirement.....	-	-	-	-	-	-	-
Interest and fiscal charges.....	-	-	-	-	-	-	-
<b>Total expenditures.....</b>	<b>1,104</b>	<b>26,309</b>	<b>12,400</b>	<b>823</b>	<b>7,277</b>	<b>707</b>	<b>46</b>
Other financing uses:							
Payments to advance refunding escrow agent.....	-	-	-	-	-	-	-
Fringe benefit cost assessment.....	-	41	55	-	1,338	2	11
Lottery operating reimbursements.....	-	-	-	-	-	-	-
Lottery distributions.....	-	-	-	-	-	-	-
Operating transfers out.....	-	18	167	2,123	467	2	4
Tobacco settlement transfer.....	-	-	-	-	-	-	-
Health safety net trust transfer.....	-	-	-	-	-	-	-
Federal reimbursement transfer out.....	-	-	-	-	-	-	-
<b>Total other financing uses.....</b>	<b>-</b>	<b>59</b>	<b>222</b>	<b>2,123</b>	<b>1,805</b>	<b>4</b>	<b>15</b>
<b>Total expenditures and other financing uses.....</b>	<b>1,104</b>	<b>26,368</b>	<b>12,622</b>	<b>2,946</b>	<b>9,082</b>	<b>711</b>	<b>61</b>
Excess (deficiency) of revenues and other financing sources							
over / (under) expenditures and other financing uses.....	(1,104)	1,024	849	480	(399)	(8)	36
Fund balance (deficit) at beginning of year (restated).....	4,429	26,372	7,850	268	2,058	2,396	157
<b>Fund balance (deficit) at end of year.....</b>	<b>\$ 3,325</b>	<b>\$ 27,396</b>	<b>\$ 8,699</b>	<b>\$ 748</b>	<b>\$ 1,659</b>	<b>\$ 2,388</b>	<b>\$ 193</b>

See accountants' review report

Non-Budgeted Other Funds

Organ And Tissues Donor Registration	Department of Fire Services Hazardous Materials Emergency Mitigation Response Recovery Trust	Registers Technological	County Registers Technological	State Election Campaign	Enhanced 911	Counsel for Indigent Salary Enhancement Trust	Smart Growth Housing Trust	Special Projects Permitting and Oversight
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
120	154	4,999	2,553	-	73,337	86	-	4,561
-	-	-	-	268	130	-	-	-
<u>120</u>	<u>154</u>	<u>4,999</u>	<u>2,553</u>	<u>268</u>	<u>73,467</u>	<u>86</u>	<u>-</u>	<u>4,561</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>120</u>	<u>154</u>	<u>4,999</u>	<u>2,553</u>	<u>268</u>	<u>73,467</u>	<u>86</u>	<u>-</u>	<u>4,561</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	3,612	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	7,329	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	983	-	1,780	-	-	1,767
-	-	-	-	-	75	-	-	-
-	-	-	-	-	-	-	-	-
-	37	-	-	-	56,687	-	-	-
-	-	-	-	-	-	-	465	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	37	3,612	983	-	65,871	-	465	1,767
-	-	-	-	-	-	-	-	-
-	-	399	-	-	1,864	-	-	554
-	-	-	-	-	-	-	-	-
-	-	171	-	-	1,833	-	-	277
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	570	-	-	3,697	-	-	831
-	37	4,182	983	-	69,568	-	465	2,598
120	117	817	1,570	268	3,899	86	(465)	1,963
40	101	2,409	3,338	480	97,651	135	1,500	412
<u>\$ 160</u>	<u>\$ 218</u>	<u>\$ 3,226</u>	<u>\$ 4,908</u>	<u>\$ 748</u>	<u>\$ 101,550</u>	<u>\$ 221</u>	<u>\$ 1,035</u>	<u>\$ 2,375</u>

continued

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

Fiscal Year Ended June 30, 2012  
 (Amounts in thousands)

	Non-Budgeted Other Funds						
	Division of Energy Resources Credit Trust	School Modernization and Reconstruction Trust	Roche Community Rink	Workforce Competitiveness Trust	Fire Prevention and Public Safety	Cigarette Fire Safety Firefighter Protection Act Enforcement	Massachusetts Board of Higher Education Scholar-Internship Match
<b>REVENUES AND OTHER FINANCING SOURCES</b>							
Revenues:							
Taxes.....	\$ -	\$ 670,494	\$ -	\$ -	\$ -	\$ -	\$ -
Assessments.....	-	-	-	-	-	-	-
Federal grants and reimbursements.....	-	-	-	-	-	-	-
Tobacco settlement revenue.....	-	-	-	-	-	-	-
Departmental.....	-	-	47	-	6	180	-
Miscellaneous.....	-	-	-	-	-	-	-
Total revenues.....	-	670,494	47	-	6	180	-
Other financing sources:							
Proceeds of refunding bonds.....	-	-	-	-	-	-	-
Operating transfers in.....	-	-	-	-	-	-	-
Stabilization transfer.....	-	-	-	-	-	-	-
Commonwealth care trust transfer.....	-	-	-	-	-	-	-
Health safety net trust transfer.....	-	-	-	-	-	-	-
Medical assistance transfer.....	-	-	-	-	-	-	-
Delivery system transformation initiatives trust transfer.....	-	-	-	-	-	-	-
Total other financing sources.....	-	-	-	-	-	-	-
Total revenues and other financing sources.....	-	670,494	47	-	6	180	-
<b>EXPENDITURES AND OTHER FINANCING USES</b>							
Expenditures:							
Judiciary.....	-	-	-	-	-	-	-
Inspector General.....	-	-	-	-	-	-	-
Governor and Lieutenant Governor.....	-	-	-	-	-	-	-
Secretary of the Commonwealth.....	-	-	-	-	-	-	-
Treasurer and Receiver-General.....	-	670,494	-	-	-	-	-
Attorney General.....	-	-	-	-	-	-	-
District Attorney.....	-	-	-	-	-	-	-
Office of Campaign and Political Finance.....	-	-	-	-	-	-	-
Sheriff's Departments.....	-	-	-	-	-	-	-
Disabled Persons Protection Commission.....	-	-	-	-	-	-	-
Board of Library Commissioners.....	-	-	-	-	-	-	-
Massachusetts Gaming Commission.....	-	-	-	-	-	-	-
Comptroller.....	-	-	-	-	-	-	-
Administration and finance.....	-	-	-	-	-	-	-
Energy and environmental affairs.....	231	-	-	-	-	-	-
Health and human services.....	-	-	-	-	-	-	-
Massachusetts department of transportation.....	-	-	-	-	-	-	-
Executive office of education.....	-	-	-	-	-	-	-
Public safety and homeland security.....	-	-	-	-	10	599	-
Housing and economic development.....	-	-	-	-	-	-	-
Labor and workforce development.....	-	-	-	-	-	-	-
Debt service:							
Principal retirement.....	-	-	-	-	-	-	-
Interest and fiscal charges.....	-	-	-	-	-	-	-
Total expenditures.....	231	670,494	-	-	10	599	-
Other financing uses:							
Payments to advance refunding escrow agent.....	-	-	-	-	-	-	-
Fringe benefit cost assessment.....	-	-	-	-	-	53	-
Lottery operating reimbursements.....	-	-	-	-	-	-	-
Lottery distributions.....	-	-	-	-	-	-	-
Operating transfers out.....	-	-	-	-	-	73	-
Tobacco settlement transfer.....	-	-	-	-	-	-	-
Health safety net trust transfer.....	-	-	-	-	-	-	-
Federal reimbursement transfer out.....	-	-	-	-	-	-	-
Total other financing uses.....	-	-	-	-	-	126	-
Total expenditures and other financing uses.....	231	670,494	-	-	10	725	-
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	(231)	-	47	-	(4)	(545)	-
Fund balance (deficit) at beginning of year (restated).....	2,349	-	256	38	17	3,283	221
Fund balance (deficit) at end of year.....	\$ 2,118	\$ -	\$ 303	\$ 38	\$ 13	\$ 2,738	\$ 221

See accountants' review report

Non-Budgeted Other Funds

District Local Technical Assistance	Educational Rewards Grant Program	Massachusetts Nursing & Allied Health Workforce Development Trust	Health Information Technology Trust	Build America Bond Subsidy Trust	Government Land Bank	Natural Heritage and Endangered Species	Massachusetts Mathematics, Science, Technology and Engineering Grant	Commonwealth Covenant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	108,489	59,111	-	1,005	-	-
-	-	-	-	-	-	486	-	-
-	-	2	-	-	-	641	50	-
-	-	2	108,489	59,111	-	2,132	50	-
-	-	-	-	-	-	-	-	-
-	-	635	500	-	5,350	-	1,000	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	635	500	-	5,350	-	1,000	-
-	-	637	108,989	59,111	5,350	2,132	1,050	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	36,225	-	-	-	178
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,523	-	-
-	-	-	89,650	-	-	-	-	-
-	-	558	-	-	-	-	753	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	2,054	-	-	-
-	-	-	-	-	3,296	-	-	-
-	-	558	89,650	36,225	5,350	1,523	753	178
-	-	-	-	-	-	-	-	-
-	-	24	7	-	-	148	45	-
-	-	-	-	-	-	-	-	-
-	-	9	17	13,806	-	-	22	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	33	24	13,806	-	148	67	-
-	-	591	89,674	50,031	5,350	1,671	820	178
-	-	46	19,315	9,080	-	461	230	(178)
144	48	458	-	-	(35,033)	666	411	279
\$ 144	\$ 48	\$ 504	\$ 19,315	\$ 9,080	\$ (35,033)	\$ 1,127	\$ 641	\$ 101

continued

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

Fiscal Year Ended June 30, 2012  
 (Amounts in thousands)

	Non-Budgeted Other Funds						
	Massachusetts Alternative and Clean Energy Investment Trust	Regional Greenhouse Gas Initiative (RGGI) Auction Trust	Mosquito and Greenhead Fly Control	Ocean Resources and Waterways Trust	Off Highway Vehicle Program	Workforce Training Trust Fund	Oil Overcharge
<b>REVENUES AND OTHER FINANCING SOURCES</b>							
Revenues:							
Taxes.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,386	\$ -
Assessments.....	-	-	9,559	-	-	-	-
Federal grants and reimbursements.....	-	-	-	-	-	-	-
Tobacco settlement revenue.....	-	-	-	-	-	-	-
Departmental.....	-	24,472	676	-	572	-	-
Miscellaneous.....	-	-	-	-	-	-	-
Total revenues.....	-	24,472	10,235	-	572	21,386	-
Other financing sources:							
Proceeds of refunding bonds.....	-	-	-	-	-	-	-
Operating transfers in.....	-	-	-	-	-	10,475	-
Stabilization transfer.....	-	-	-	-	-	-	-
Commonwealth care trust transfer.....	-	-	-	-	-	-	-
Health safety net trust transfer.....	-	-	-	-	-	-	-
Medical assistance transfer.....	-	-	-	-	-	-	-
Delivery system transformation initiatives trust transfer.....	-	-	-	-	-	-	-
Total other financing sources.....	-	-	-	-	-	10,475	-
Total revenues and other financing sources.....	-	24,472	10,235	-	572	31,861	-
<b>EXPENDITURES AND OTHER FINANCING USES</b>							
Expenditures:							
Judiciary.....	-	-	-	-	-	-	-
Inspector General.....	-	-	-	-	-	-	-
Governor and Lieutenant Governor.....	-	-	-	-	-	-	-
Secretary of the Commonwealth.....	-	-	-	-	-	-	-
Treasurer and Receiver-General.....	-	-	-	-	-	-	-
Attorney General.....	-	-	-	-	-	-	-
District Attorney.....	-	-	-	-	-	-	-
Office of Campaign and Political Finance.....	-	-	-	-	-	-	-
Sheriff's Departments.....	-	-	-	-	-	-	-
Disabled Persons Protection Commission.....	-	-	-	-	-	-	-
Board of Library Commissioners.....	-	-	-	-	-	-	-
Massachusetts Gaming Commission.....	-	-	-	-	-	-	-
Comptroller.....	-	-	-	-	-	-	-
Administration and finance.....	-	-	-	-	-	-	-
Energy and environmental affairs.....	-	19,776	8,632	142	519	-	-
Health and human services.....	-	-	93	-	-	-	-
Massachusetts department of transportation.....	-	-	-	-	-	-	-
Executive office of education.....	-	-	-	-	-	-	-
Public safety and homeland security.....	-	-	-	-	-	-	-
Housing and economic development.....	-	-	-	-	-	-	-
Labor and workforce development.....	-	-	-	-	-	17,963	-
Debt service:							
Principal retirement.....	-	-	-	-	-	-	-
Interest and fiscal charges.....	-	-	-	-	-	-	-
Total expenditures.....	-	19,776	8,725	142	519	17,963	-
Other financing uses:							
Payments to advance refunding escrow agent.....	-	-	-	-	-	-	-
Fringe benefit cost assessment.....	-	-	1,338	-	28	326	-
Lottery operating reimbursements.....	-	-	-	-	-	-	-
Lottery distributions.....	-	-	-	-	-	-	-
Operating transfers out.....	-	-	5	25	17	22	-
Tobacco settlement transfer.....	-	-	-	-	-	-	-
Health safety net trust transfer.....	-	-	-	-	-	-	-
Federal reimbursement transfer out.....	-	-	-	-	-	-	-
Total other financing uses.....	-	-	1,343	25	45	348	-
Total expenditures and other financing uses.....	-	19,776	10,068	167	564	18,311	-
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....							
	-	4,696	167	(167)	8	13,550	-
Fund balance (deficit) at beginning of year (restated).....	24	22,033	877	922	626	-	427
Fund balance (deficit) at end of year.....	\$ 24	\$ 26,729	\$ 1,044	\$ 755	\$ 634	\$ 13,550	\$ 427

See accountants' review report



Non-Budgeted Other Funds

Infrastructure Development	Substance Abuse Services	State Low Income Housing Tax Credit	Human Services Salary Reserve	Environmental Trust	Children's Trust	Child Support Enforcement	Massachusetts Military Family Relief	Department of Industrial Accidents Special
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	18,130
-	-	-	-	-	-	15,938	-	-
-	-	-	-	833	-	9,276	-	5,673
-	-	-	-	12	1	11	325	7
-	-	-	-	845	1	25,225	325	23,810
-	-	-	-	-	-	-	-	-
37,950	10,000	9,500	10,000	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
37,950	10,000	9,500	10,000	-	-	-	-	-
37,950	10,000	9,500	10,000	845	1	25,225	325	23,810
-	-	-	-	-	-	41	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	8	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	230	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	21,809	-	-
19	-	-	-	1,143	-	-	-	-
-	-	-	9,973	-	-	-	-	-
-	-	-	-	32	24	-	-	-
-	-	-	-	-	-	-	250	-
8,899	-	-	-	-	-	-	-	-
-	-	-	-	-	-	43	-	-
-	-	-	-	-	-	-	-	-
8,918	-	-	9,973	1,175	24	22,131	250	-
-	-	-	-	-	-	-	-	-
-	-	-	-	66	4	946	-	4,264
-	-	-	-	-	-	-	-	-
-	-	-	-	41	2	426	-	17,394
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	107	6	1,372	-	21,658
8,918	-	-	9,973	1,282	30	23,503	250	21,658
29,032	10,000	9,500	27	(437)	(29)	1,722	75	2,152
-	-	-	-	4,566	260	52,206	774	12,142
\$ 29,032	\$ 10,000	\$ 9,500	\$ 27	\$ 4,129	\$ 231	\$ 53,928	\$ 849	\$ 14,294

continued

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

Fiscal Year Ended June 30, 2012  
 (Amounts in thousands)

	Non-Budgeted Other Funds						
	Massachusetts AIDS	Trust Fund for the Head Injury Treatment Services	Board of Registration in Medicine	Water Pollution Abatement Projects Administration	Child Care Quality	Convention and Exhibition Center	Firearms Fingerprint Identity Verification Trust
<b>REVENUES AND OTHER FINANCING SOURCES</b>							
Revenues:							
Taxes.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 94,234	\$ -
Assessments.....	-	-	-	-	-	-	-
Federal grants and reimbursements.....	-	-	-	-	-	-	-
Tobacco settlement revenue.....	-	-	-	-	-	-	-
Departmental.....	-	6,257	8,131	-	267	-	1,386
Miscellaneous.....	120	1	-	11,257	-	2,342	-
<b>Total revenues.....</b>	<b>120</b>	<b>6,258</b>	<b>8,131</b>	<b>11,257</b>	<b>267</b>	<b>96,576</b>	<b>1,386</b>
Other financing sources:							
Proceeds of refunding bonds.....	-	-	-	-	-	-	-
Operating transfers in.....	-	-	-	-	-	-	-
Stabilization transfer.....	-	-	-	-	-	-	-
Commonwealth care trust transfer.....	-	-	-	-	-	-	-
Health safety net trust transfer.....	-	-	-	-	-	-	-
Medical assistance transfer.....	-	-	-	-	-	-	-
Delivery system transformation initiatives trust transfer.....	-	-	-	-	-	-	-
<b>Total other financing sources.....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total revenues and other financing sources.....</b>	<b>120</b>	<b>6,258</b>	<b>8,131</b>	<b>11,257</b>	<b>267</b>	<b>96,576</b>	<b>1,386</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>							
Expenditures:							
Judiciary.....	-	-	-	-	-	-	-
Inspector General.....	-	-	-	-	-	-	-
Governor and Lieutenant Governor.....	-	-	-	-	-	-	-
Secretary of the Commonwealth.....	-	-	-	-	-	-	-
Treasurer and Receiver-General.....	-	-	-	-	-	-	-
Attorney General.....	-	-	-	-	-	-	-
District Attorney.....	-	-	-	-	-	-	-
Office of Campaign and Political Finance.....	-	-	-	-	-	-	-
Sheriff's Departments.....	-	-	-	-	-	-	-
Disabled Persons Protection Commission.....	-	-	-	-	-	-	-
Board of Library Commissioners.....	-	-	-	-	-	-	-
Massachusetts Gaming Commission.....	-	-	-	-	-	-	-
Comptroller.....	-	-	-	-	-	-	-
Administration and finance.....	-	-	-	-	-	48,790	-
Energy and environmental affairs.....	-	-	-	6,782	-	-	-
Health and human services.....	162	6,371	6,038	-	-	-	-
Massachusetts department of transportation.....	-	-	-	-	-	-	-
Executive office of education.....	-	-	-	-	341	-	-
Public safety and homeland security.....	-	-	-	-	-	-	1,077
Housing and economic development.....	-	-	-	-	-	-	-
Labor and workforce development.....	-	-	-	-	-	-	-
Debt service:							
Principal retirement.....	-	-	-	-	-	-	-
Interest and fiscal charges.....	-	-	-	-	-	36,345	-
<b>Total expenditures.....</b>	<b>162</b>	<b>6,371</b>	<b>6,038</b>	<b>6,782</b>	<b>341</b>	<b>85,135</b>	<b>1,077</b>
Other financing uses:							
Payments to advance refunding escrow agent.....	-	-	-	-	-	-	-
Fringe benefit cost assessment.....	-	184	1,246	1,744	-	-	-
Lottery operating reimbursements.....	-	-	-	-	-	-	-
Lottery distributions.....	-	-	-	-	-	-	-
Operating transfers out.....	-	47	559	2,185	-	-	-
Tobacco settlement transfer.....	-	-	-	-	-	-	-
Health safety net trust transfer.....	-	-	-	-	-	-	-
Federal reimbursement transfer out.....	-	-	-	-	-	-	-
<b>Total other financing uses.....</b>	<b>-</b>	<b>231</b>	<b>1,805</b>	<b>3,929</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditures and other financing uses.....</b>	<b>162</b>	<b>6,602</b>	<b>7,843</b>	<b>10,711</b>	<b>341</b>	<b>85,135</b>	<b>1,077</b>
Excess (deficiency) of revenues and other financing sources							
over / (under) expenditures and other financing uses.....	(42)	(344)	288	546	(74)	11,441	309
Fund balance (deficit) at beginning of year (restated).....	161	3,076	4,317	496	957	105,311	2,319
<b>Fund balance (deficit) at end of year.....</b>	<b>\$ 119</b>	<b>\$ 2,732</b>	<b>\$ 4,605</b>	<b>\$ 1,042</b>	<b>\$ 883</b>	<b>\$ 116,752</b>	<b>\$ 2,628</b>

See accountants' review report

Non-Budgeted Other	MassDOT					
	Grant Anticipation Note Trust	Massachusetts Transportation Trust	Central Artery/Tunnel Project Maintenance Trust	Motor Vehicle Safety Inspection Trust	Totals	
					(Memorandum only)	
					2012	2011
\$ -	\$ -	\$ -	\$ -	\$ 1,739,826	\$ 1,680,656	
-	-	-	-	526,540	517,048	
642,430	39,134	-	-	3,534,718	3,779,789	
-	-	-	-	253,628	248,741	
-	390,991	-	31,303	5,846,922	5,496,462	
245	26,491	6,578	43	136,786	90,639	
642,675	456,616	6,578	31,346	12,038,420	11,813,335	
-	-	-	-	-	406,453	
29,010	328,960	-	20,069	534,586	503,342	
-	-	-	-	15,000	-	
-	-	-	-	614,910	739,012	
-	-	-	-	30,000	30,000	
-	-	-	-	220,900	886,101	
-	-	-	-	186,908	-	
29,010	328,960	-	20,069	1,602,304	2,564,908	
671,685	785,576	6,578	51,415	13,640,724	14,378,243	
-	-	-	-	1,439	1,257	
-	-	-	-	298	281	
-	98	-	-	98	98	
-	-	-	-	5,321	5,238	
-	183	-	-	5,509,177	5,395,164	
-	-	-	-	9,560	8,547	
-	-	-	-	2,336	3,330	
-	-	-	-	-	1,390	
-	692	-	-	12,369	7,008	
-	-	-	-	-	106	
-	-	-	-	2,833	3,229	
-	-	-	-	791	-	
-	-	-	-	1,818	2,067	
-	-	-	-	105,171	128,690	
-	1,045	-	1,059	125,620	143,938	
-	85	-	-	2,343,685	2,750,463	
-	569,286	12,742	11,260	600,940	648,957	
-	-	-	-	1,104,611	1,399,350	
-	315	-	-	230,850	197,631	
-	27	-	-	533,684	693,014	
-	-	-	-	351,209	364,172	
156,405	-	-	-	158,459	380,395	
32,257	-	-	-	71,898	76,402	
188,662	571,731	12,742	12,319	11,172,167	12,210,727	
-	-	-	-	-	184,438	
-	36,681	-	1,250	127,306	132,188	
-	-	-	-	88,658	86,391	
-	-	-	-	977,553	881,817	
-	76,505	10,868	244	250,284	159,285	
-	-	-	-	253,628	248,741	
-	-	-	-	30,000	30,000	
481,145	-	-	-	481,145	458,410	
481,145	113,186	10,868	1,494	2,208,574	2,181,270	
669,807	684,917	23,610	13,813	13,380,741	14,391,997	
1,878	100,659	(17,032)	37,602	259,983	(13,754)	
203,177	684,998	402,656	7,351	1,799,478	1,813,232	
\$ 205,055	\$ 785,657	\$ 385,624	\$ 44,953	\$ 2,059,461	\$ 1,799,478	



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# Capital Projects Funds

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

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

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

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

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

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

## OTHER FUNDS:

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

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

## LOCAL AID FUND:

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

## MASSACHUSETTS DEPARTMENT OF TRANSPORTATION (MassDOT) FUND:

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

The following fund has been enacted in legislation but was inactive in FY12 and 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.

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

Fiscal Year Ended June 30, 2012  
 (Amounts in thousands)

	General Capital Projects	Convention and Exhibition Center Capital	Capital Improvements and Investment Trust	Highway Capital Projects
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Federal grants and reimbursements.....	\$ 10,959	\$ -	\$ -	\$ -
Departmental.....	-	-	-	-
Miscellaneous.....	-	-	-	2,897
Total revenues.....	<u>10,959</u>	<u>-</u>	<u>-</u>	<u>2,897</u>
Other financing sources:				
Proceeds of general obligation bonds.....	738,363	-	-	600,087
Proceeds of special obligation bonds.....	-	-	-	419,260
Bonds premiums (discounts).....	92,344	-	(5)	69,357
Proceeds of refunding bonds.....	83,107	-	1,690	303,727
Operating transfers in.....	-	-	-	21,384
Federal reimbursement transfer in.....	-	-	-	-
State share of federal highway construction.....	-	-	-	-
Total other financing sources.....	<u>913,814</u>	<u>-</u>	<u>1,685</u>	<u>1,413,815</u>
Total revenues and other financing sources.....	<u>924,773</u>	<u>-</u>	<u>1,685</u>	<u>1,416,712</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Judiciary.....	20,688	-	-	-
Secretary of the Commonwealth.....	1,538	-	-	-
Treasurer and Receiver-General.....	14,690	-	-	135,950
Auditor of the Commonwealth.....	489	-	-	-
Attorney General.....	901	-	-	337
Sheriff's Departments.....	4,329	-	-	-
Board of Library Commissioners.....	9,841	-	-	-
Comptroller.....	243	-	-	-
Administration and finance.....	577,190	-	-	-
Energy and environmental affairs.....	137,490	-	14	4,345
Health and human services.....	24,657	-	-	-
Massachusetts department of transportation.....	23,995	-	-	851,249
Executive office of education.....	58,095	-	-	-
Public safety and homeland security.....	36,411	-	-	-
Housing and economic development.....	197,611	-	-	33,380
Labor and workforce development.....	1,454	-	-	-
Debt service:				
Principal retirement.....	82,979	-	1,685	321,467
Interest and fiscal charges.....	-	-	-	9,668
Total expenditures.....	<u>1,192,601</u>	<u>-</u>	<u>1,699</u>	<u>1,356,396</u>
Other financing uses:				
Payments to advance refunding escrow agent.....	-	-	-	-
Fringe benefit cost assessment.....	12,231	-	-	34,433
Operating transfers out.....	-	-	-	-
State share of federal highway construction.....	-	-	-	121,681
Total other financing uses.....	<u>12,231</u>	<u>-</u>	<u>-</u>	<u>156,114</u>
Total expenditures and other financing uses.....	<u>1,204,832</u>	<u>-</u>	<u>1,699</u>	<u>1,512,510</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	(280,059)	-	(14)	(95,798)
Fund balance (deficit) at beginning of year.....	91,375	8,393	(121)	31,577
Fund balance (deficit) at end of year.....	<u>\$ (188,684)</u>	<u>\$ 8,393</u>	<u>\$ (135)</u>	<u>\$ (64,221)</u>

See accountants' review report

Federal Highway Construction Program	Government Land Bank Capital Projects	Local Aid Capital Projects	MassDOT	Totals	
			Central Artery Statewide Road and Bridge Infrastructure	(Memorandum only)	
				2012	2011
\$ 68,773	\$ -	\$ -	\$ -	\$ 79,732	\$ 168,912
204	-	-	10	214	810
-	-	-	183	3,080	(113)
<u>68,977</u>	<u>-</u>	<u>-</u>	<u>193</u>	<u>83,026</u>	<u>169,609</u>
-	1,868	49	-	1,340,367	1,633,051
-	-	-	-	419,260	672,587
-	-	(4)	(118)	161,574	-
-	89	46,501	44,450	479,564	540,200
-	-	-	10,868	32,252	47
481,145	-	-	-	481,145	458,410
121,681	-	-	-	121,681	57,809
<u>602,826</u>	<u>1,957</u>	<u>46,546</u>	<u>55,200</u>	<u>3,035,843</u>	<u>3,362,104</u>
<u>671,803</u>	<u>1,957</u>	<u>46,546</u>	<u>55,393</u>	<u>3,118,869</u>	<u>3,531,713</u>
-	-	-	-	20,688	18,950
34	-	-	-	1,572	1,553
-	-	-	-	150,640	10,646
-	-	-	-	489	-
25	-	-	-	1,263	1,460
-	-	-	-	4,329	1,305
-	-	-	-	9,841	9,066
-	-	-	-	243	1,149
372	1,013	-	-	578,575	526,258
21	-	43	82	141,995	149,595
-	-	-	-	24,657	24,475
661,060	-	-	26,242	1,562,546	1,468,695
-	-	-	-	58,095	17,880
-	-	-	-	36,411	32,047
-	-	-	-	230,991	225,417
-	-	-	-	1,454	7,735
-	89	46,497	44,332	497,049	-
-	-	-	-	9,668	7,080
<u>661,512</u>	<u>1,102</u>	<u>46,540</u>	<u>70,656</u>	<u>3,330,506</u>	<u>2,503,311</u>
-	-	-	-	-	540,200
9,905	-	-	-	56,569	47,982
-	-	-	-	-	613
-	-	-	-	121,681	57,809
<u>9,905</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>178,250</u>	<u>646,604</u>
<u>671,417</u>	<u>1,102</u>	<u>46,540</u>	<u>70,656</u>	<u>3,508,756</u>	<u>3,149,915</u>
386	855	6	(15,263)	(389,887)	381,798
(386)	(855)	6	69,249	199,238	(182,560)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12</u>	<u>\$ 53,986</u>	<u>\$ (190,649)</u>	<u>\$ 199,238</u>

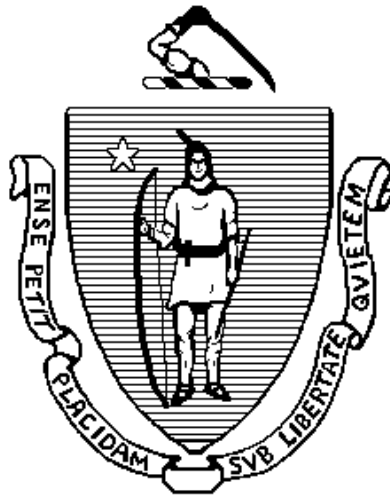


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# *Supplemental Information*

*(Unaudited)*



Calculation of Transfers – Stabilization and Tax Reduction Funds  
Non-Tax Revenue Initiatives  
Schedule of Pension Funding Progress – Last Six Fiscal Years

See review report

## Calculation of Transfers: Stabilization Fund

June 30, 2012  
(Amounts are in thousands)

This statement is prepared on the statutory basis of accounting pursuant to General Laws Chapter 29, Section 5c, as most recently amended by Section 41 of Chapter 239 of the Acts of 2012, which superseded certain parts of Section 5c. It presents information contained in the official books and accounting records of the Commonwealth. Financial statements supporting this calculation are presented in the Financial Section of this report.

	<u>General</u>	<u>Commonwealth Transportation</u>	<u>Massachusetts Tourism</u>	<u>Total</u>
<b>Undesignated Budgeted Fund Balances Before Transfers</b>	\$ 162,364	\$ 101,199	\$ 37,731	\$ 301,294
<b>Fund Balance Deficit Elimination Transfers Per Sec. 41 of Ch. 239 of the Acts of 2012</b>	-	-	-	-
<b>Fund Balances after Deficit Elimination Transfers (Consolidated Net Surplus)</b>	<b>162,364</b>	<b>101,199</b>	<b>37,731</b>	<b>301,294</b>
<b>Statutory Carryforwards and Transfers per Sec. 41 of Ch. 239 of the Acts of 2012</b>				
1/2 of 1% of Tax Revenue Carryforward to FY13	(106,918)			(106,918)
\$15 Million Transfer from General Fund to Massachusetts Life Sciences Investment Fund	(15,000)	-	-	(15,000)
\$20 million Transfer from General Fund to Health Care Workforce Transformation Trust Fund	(20,000)	-	-	(20,000)
Distribution of \$2,703,119 from General Fund to City of New Bedford Public Schools	(2,703)	-	-	(2,703)
Transfers to General Fund to Enable \$40 Million General Fund Carryforward to FY13	22,257	(16,212)	(6,045)	-
\$40 million General Fund Carryforward to FY13	(40,000)			(40,000)
<b>Remaining Consolidated Net Surplus to be Deposited in Stabilization Fund per Sec. 41 of Ch. 239 of the Acts of 2012</b>	<b>-</b>	<b>84,987</b>	<b>31,686</b>	<b>116,673</b>
<b><u>Stabilization Balance Reconciliation:</u></b>				
Balance as of July 1, 2011.....				\$ 1,379,071
Capital Gains Tax Transfers to Stabilization Fund during FY 2012 per Chapter 29, Section 5G.....				-
Judgments and Settlements In Excess of \$10 Million Transferred to Stabilization Fund per Ch. 29, Section 2H.....				375,021
Investment income, certain tax revenues and other recoveries.....				11,761
Less: Transfers from Stabilization Fund				
Investment Income to General Fund per Sec.155 of Ch. 68 of the Acts of 2011.....			(6,986)	
Change in Market Value to General Fund per Sec. 155 of Ch. 68 of the Acts of 2011.....			(3,422)	
To General Fund and Gaming Fund per Sec. 94 of Ch. 194 of the Acts of 2011.....			(20,000)	
To General Fund Per Sec. 155 of Ch. 68 of the Acts of 2011.....			(200,000)	
Total Transfers from Stabilization Fund during FY 2012.....			(230,408)	(230,408)
Transfer to Stabilization Fund from Temporary Holding Fund, per Chapter 62F, Section 6A.....				-
Remaining Consolidated Net Surplus Deposited in Stabilization Fund, per Calculation Above.....				116,673
<b>Stabilization Fund Balance as of June 30, 2012.....</b>				<b>\$ 1,652,118</b>

## Calculation Of Transfers: Tax Reduction Fund

June 30, 2012  
(Amounts in thousands)

This statement is prepared pursuant to Chapters 29 Sections 2H and 2I of the Massachusetts General Laws, as amended. It is prepared on the statutory basis of accounting and presents information contained in the official books and accounting records of the Commonwealth. Supporting information is presented in individual schedules, as indicated, and in the Financial Section of this report.

The computation is as follows:

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

Undesignated fund balance in the Stabilization Fund.....	\$ 1,652,118
Allowable Stabilization Fund balance (per Schedule B).....	<u>4,881,982</u>
Stabilization Fund excess, if any, transferable to Tax Reduction Fund.....	<u>\$ -</u>

Part 2: Status of Stabilization Fund after transfers:

Stabilization Fund balance.....	\$ 1,652,118
Transfer to Tax Reduction Fund.....	<u>-</u>
Stabilization Fund balance after transfer to Tax Reduction Fund.....	<u>\$ 1,652,118</u>

Part 3: Status of Tax Reduction Fund after transfers:

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

**Schedule A**  
**FY2012 Tax Revenues By Revenue Class and**  
**Calculation of Allowable Net Surplus**

June 30, 2012  
(Amounts in thousands)

Alcoholic beverages.....	\$	76,059
Banks: financial institutions.....		266,612
Cigarette.....		451,002
Cigarette excise - Commonwealth Care.....		122,757
Corporations.....		1,771,113
Deeds.....		158,839
Estate and inheritance.....		293,269
Health care coverage penalty - Commonwealth Care.....		22,053
Income.....		11,911,399
Insurance.....		318,061
Motor and special fuels.....		661,974
Public utilities*.....		(35,945)
Room occupancy.....		182,529
Sales and use.....		5,079,105
Club alcoholic beverages.....		901
Motor vehicle excise.....		67
Convention center surcharges.....		13,642
Community preservation.....		27,363
Satellite.....		12,504
State racing.....		1,635
Beano.....		1,898
Raffles and bazaars.....		1,131
Boxing.....		53
DOI excess and surplus lines.....		24,140
UI surcharge.....		21,386
		21,386
 FY 2012 state tax revenue.....	 \$	 21,383,547
		106,918
 0.5% of total tax revenue.....		 106,918
		106,918
 Allowable consolidated net surplus.....	 \$	 106,918
		106,918

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 DOR.

\*Negative amount in public utilities tax primarily due to a change in corporate tax law, which resulted in some taxes in this category being paid under the Corporations Tax.

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

June 30, 2012  
(Amounts in thousands)

Total budgeted revenues and other financial resources pertaining to the budgeted funds.....	\$	33,578,853
Elimination of budgetary interfund activity exclusive of fund closure (per Schedule C).....		<u>(1,032,306)</u>
Budgeted revenues and other financial resources pertaining to the budgeted funds.....		<u>32,546,547</u>
Allowable Stabilization Fund balance, 15% of budgeted revenue.....	\$	<u><u>4,881,982</u></u>

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

**Schedule C**  
**Detail of Elimination of Budgetary Inter Fund Activity**

June 30, 2012  
(Amounts in thousands)

---

Adjustments to revenues :	
Transfer to the Intragovernmental Service Fund Revenues.....	\$ (295,794)
Adjustments to other financing sources and uses:	
Fringe benefit cost assessments.....	(2,663)
Transfer from the Intragovernmental Service Fund to the General Fund.....	(611)
RMV license -plates.....	(3,075)
Transfer from Stabilization Fund to General Fund.....	(215,408)
Transfer from Budgeted Funds to Stabilization Fund.....	(375,021)
Year end Stabilization Fund Transfer.....	(116,673)
Transfer to General Fund consolidated net surplus calculation.....	(22,257)
Other .....	(804)
	(804)
Elimination of budgetary interfund activity	\$ (1,032,306)

## Schedule D Calculation of Transfers: Temporary Holding Fund

June 30, 2012  
(Amounts in thousands)

This statement is prepared on the statutory basis of accounting pursuant to General Laws Chapter 62F, Section 6A, as amended most recently by Chapter 26 of the Acts of 2003, Sections 203 and 715. It presents information contained in the official books and accounting records of the Commonwealth. Financial statements supporting this calculation are presented in the Financial Section of this report.

Period Ending:	September 30, 2011	December 31, 2011	March 31, 2012	June 30, 2012
Cumulative net state tax revenues, 2012 .....	\$ 5,136,829	\$ 9,986,749	\$ 14,900,137	\$ 21,384,339
Cumulative net state tax revenues, 2011.....	4,819,581	9,732,050	14,550,178	20,776,223
Permissible growth rate defined as inflation plus 2%, but not less than 0% *.....	4.72%	5.14%	5.30%	5.25%
Permissible state tax revenues defined as cumulative net state tax revenues, 2011 multiplied by 1 plus the permissible growth rate.....	<u>5,047,065</u>	<u>10,232,277</u>	<u>15,321,337</u>	<u>21,866,986</u>
<b>Cumulative net state tax revenues 2012 in excess of permissible state tax revenues.....</b>	<b><u>\$ 89,764</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

\* Inflation is defined as the year-over year change in the implicit price deflator for state and local government purchases.

# Non-Tax Revenue Initiatives

June 30, 2012  
(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 FY12 were (amounts in thousands):

<u>Department Collectors</u>	<u>Collections</u>	<u>Fees</u>
Allen Daniels.....	\$ 2,179	\$ 363
Collecto, Inc.....	954	163
Delta.....	452	54
Glenn Associates, Inc.....	899	150
NCO.....	425	46
Windham Professionals.....	<u>662</u>	<u>140</u>
Total.....	<u>\$ 5,571</u>	<u>\$ 916</u>

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

<u>Department Collectors</u>	<u>Collections</u>	<u>Fees</u>
Allen Daniels.....	\$ 540	\$ 90
Collecto, Inc.....	801	136
Delta.....	415	48
Glenn Associates, Inc.....	893	149
NCO.....	283	23
Windham Professionals.....	<u>662</u>	<u>140</u>
Total.....	<u>\$ 3,594</u>	<u>\$ 586</u>

## II. Revenue Maximization:

Pursuant to Massachusetts General Law Chapter 29 Section 29E, contractors were engaged on a contingent fee basis Transfer to Stabilization Fund from Temporary Holding Fund, per Chapter 62F, Section 6A tax revenues. During FY12, the following amounts were generated (amounts in thousands):

Gross revenue maximization realized.....	\$ 820,392
Contractor payments.....	<u>(27,117)</u>
Net revenue maximization realized.....	<u>\$ 793,275</u>

## III. Cost Avoidance:

The Comptroller's appropriation authorizes contract arrangements engaged on a contingent fee basis for the purpose of identification and pursuit of cost saving / avoidance opportunities. During FY12, the following amounts were generated (amounts in thousands):

State expenditures avoided.....	\$ 277,344
Contractor payments.....	<u>(18,600)</u>
Net cost savings / avoidance.....	<u>\$ 258,744</u>

## IV. Intercept:

Intercept is authorized by M.G.L. Chapter 7A Section 3 and 815 CMR 9:06. Intercept is an automated process that offsets Commonwealth payments to delinquent receivables that have been approved by the Office of the State Comptroller. FY12 activity (amounts in thousands):

Total Commonwealth intercepts.....	\$ 10,875
Amounts included above that were intercepted on behalf of the Institutions of Higher Education.....	\$ 5,289



## Schedule of Post Employment Benefits

(Amounts in thousands except for percentages)

### Pension Funding Progress for the last six fiscal years

	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Unfunded Actuarial Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Covered Payroll
<b>State Employees' Retirement System</b>						
Actuarial Valuation as of January 1, 2012....	\$ 20,507,644	\$ 27,784,731	\$ 7,277,087	73.8%	\$ 4,922,388	147.8%
Actuarial Valuation as of January 1, 2011....	21,244,900	26,242,776	4,997,876	81.0%	4,808,250	103.9%
Actuarial Valuation as of January 1, 2010....	19,019,062	24,862,421	5,843,359	76.5%	4,711,563	124.0%
Actuarial Valuation as of January 1, 2009....	16,992,214	23,723,240	6,731,026	71.6%	4,712,655	142.8%
Actuarial Valuation as of January 1, 2008....	20,400,656	22,820,502	2,419,846	89.4%	4,574,233	52.9%
Actuarial Valuation as of January 1, 2007....	18,445,225	21,670,810	3,225,585	85.1%	4,391,891	73.4%
<b>Teachers' Retirement System</b>						
Actuarial Valuation as of January 1, 2012....	\$ 22,141,475	\$ 36,483,027	\$ 14,341,552	60.7%	\$ 5,655,353	253.6%
Actuarial Valuation as of January 1, 2011....	23,117,952	34,890,991	11,773,039	66.3%	5,558,311	211.8%
Actuarial Valuation as of January 1, 2010....	21,262,462	33,738,966	12,476,504	63.0%	5,509,698	226.4%
Actuarial Valuation as of January 1, 2009....	18,927,731	32,543,782	13,616,051	58.2%	5,389,895	252.6%
Actuarial Valuation as of January 1, 2008....	22,883,553	30,955,504	8,071,951	73.9%	5,163,498	156.3%
Actuarial Valuation as of January 1, 2007....	20,820,392	29,320,714	8,500,322	71.0%	4,969,092	171.1%

For a complete analysis of the Commonwealth's actuarial valuation report, please go to <http://www.mass.gov/perac/valuation/2012commonwealth.pdf>. Alternatively, copies of the Commonwealth's actuarial valuation may be obtained by contacting the Massachusetts Public Employee Retirement Administration Commission, 5 Middlesex Avenue, Suite 304, Somerville, MA 02145. Telephone number: 617-666-4446.

### State Retiree Benefits Trust Fund

	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Unfunded Actuarial Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Covered Payroll
Actuarial Valuation as of January 1, 2012....	\$ 360,500	\$ 16,659,400	\$ 16,298,900	2.2%	\$ 4,922,388	331.1%
Actuarial Valuation as of January 1, 2011....	350,500	16,568,600	16,218,100	2.1%	4,808,250	337.3%
Actuarial Valuation as of January 1, 2010....	310,000	15,166,000	14,856,000	2.0%	4,711,563	315.3%
Actuarial Valuation as of January 1, 2009....	273,500	15,305,000	15,031,500	1.8%	4,712,655	319.0%
Actuarial Valuation as of January 1, 2008....	329,000	11,649,000	11,320,000	2.8%	4,574,233	247.5%
Actuarial Valuation as of January 1, 2006....	-	9,812,000	9,812,000	0.0%	4,391,891	223.4%

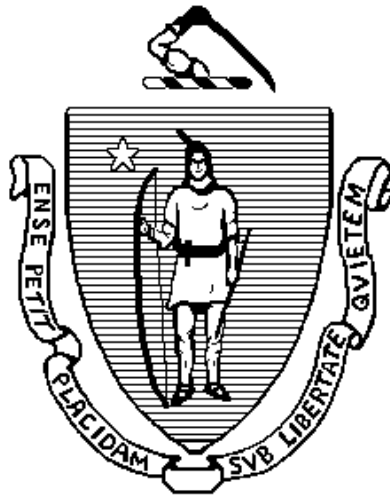
For a complete analysis of the Commonwealth's actuarial valuation report, please contact the Office of the State Comptroller, 1 Ashburton Place, 9th Floor, Boston, MA 02108.



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# *Statistical Section*

## *(Unaudited)*



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

See review report

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

June 30, 2012  
(Amounts in millions)

	2012	%	2011	%	2010	%	2009	%
		Total		Total		Total		Total
Taxes.....	\$ 21,384	42.5	\$ 20,776	38.2	\$ 18,792	40.3	\$ 18,513	38.8
Federal reimbursements.....	8,931	17.7	10,151	18.6	9,374	20.1	9,139	19.1
Federal grants.....	2,655	5.3	3,097	5.7	3,134	6.7	2,646	5.5
Lotteries.....	4,941	9.8	4,632	8.5	4,629	9.9	4,649	9.7
Assessments.....	986	2.0	960	1.8	971	2.1	894	1.9
Motor vehicle licenses and registrations.....	474	0.9	497	0.9	463	1.0	383	0.8
Fees, investment earnings, etc.....	3,582	7.1	3,462	6.4	2,830	6.0	2,800	5.9
Proceeds of general and special obligation bonds and related premiums.....	1,921	3.8	2,306	4.2	1,672	3.6	2,141	4.5
Proceeds of refunding bonds.....	480	1.0	947	1.7	538	1.2	390	0.8
Other interfund transfers.....	4,984	9.9	7,618	14.0	4,233	9.1	6,197	13.0
<b>Total revenues and other financing sources.....</b>	<b>\$ 50,338</b>	<b>100.0</b>	<b>\$ 54,446</b>	<b>100.0</b>	<b>\$ 46,636</b>	<b>100.0</b>	<b>\$ 47,752</b>	<b>100.0</b>

For fiscal years 2009 to 2012, this schedule reflects Budgeted, Non-Budgeted and Capital Projects revenues and other financing sources only.

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2008	% Total	2007	% Total	2006	% Total	2005	% Total	2004	% Total	2003	% Total
\$ 21,009	44.6	\$ 19,849	44.4	\$ 18,593	43.9	\$ 17,192	40.7	\$ 16,055	36.8	\$ 15,032	36.2
6,937	14.7	6,830	15.3	6,307	14.9	6,018	14.3	6,331	14.5	5,528	13.3
2,065	4.4	1,989	4.5	2,046	4.8	1,996	4.7	2,024	4.6	1,852	4.5
4,915	10.4	4,670	10.4	4,739	11.2	4,705	11.2	4,605	10.6	4,425	10.7
806	1.7	794	1.8	793	1.9	785	1.9	746	1.7	634	1.5
376	0.8	374	0.8	361	0.9	401	1.0	376	0.9	383	0.9
3,200	6.8	2,450	5.6	2,891	6.8	2,945	6.8	2,556	5.9	2,140	5.2
1,306	2.8	1,604	3.6	1,838	4.3	1,354	3.2	1,993	4.6	1,911	4.6
-	0.0	1,531	3.4	633	1.5	1,385	3.3	3,302	7.6	3,398	8.2
6,538	13.9	4,605	10.3	4,145	9.8	5,409	12.8	5,629	12.9	6,173	14.9
<u>\$ 47,152</u>	<u>100.0</u>	<u>\$ 44,696</u>	<u>100.0</u>	<u>\$ 42,346</u>	<u>100.0</u>	<u>\$ 42,190</u>	<u>100.0</u>	<u>\$ 43,617</u>	<u>100.0</u>	<u>\$ 41,476</u>	<u>100.0</u>

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

June 30, 2012  
(Amounts in millions)

	2012	%	2011	%	2010	%	2009	%
		Total		Total		Total		Total
Income.....	\$ 11,911	55.7	\$ 11,576	55.7	\$ 10,110	53.8	\$ 10,584	57.2
Sales and use.....	5,079	23.8	4,921	23.7	4,626	24.6	3,880	21.0
Corporations.....	1,771	8.3	1,951	9.4	1,600	8.5	1,549	8.4
Motor fuels.....	662	3.1	661	3.2	655	3.5	654	3.5
Cigarette.....	451	2.1	454	2.2	456	2.4	457	2.5
Insurance.....	318	1.5	296	1.4	285	1.5	309	1.7
Estate and inheritance.....	293	1.4	310	1.5	221	1.2	260	1.4
Banks: Financial Institutions *.....	267	1.2	(11)	-0.1	235	1.3	243	1.3
Alcoholic beverages.....	77	0.4	73	0.4	72	0.4	73	0.4
Other.....	555	2.5	545	2.6	532	2.8	504	2.6
Total taxes.....	<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>

For fiscal years 2009 to 2012, this schedule reflects Budgeted, Non-Budgeted and Capital Projects tax revenues only.

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

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	2008	% Total	2007	% Total	2006	% Total	2005	% Total	2004	% Total	2003	% Total
\$	12,484	59.4	\$ 11,400	57.4	\$ 10,483	56.4	\$ 9,690	56.4	\$ 8,830	55.0	\$ 8,026	53.4
	4,098	19.5	4,076	20.5	4,009	21.6	3,891	22.6	3,743	23.3	3,708	24.7
	1,512	7.2	1,588	8.0	1,391	7.5	1,063	6.2	998	6.2	875	5.8
	673	3.2	676	3.4	672	3.6	685	4.0	684	4.3	676	4.5
	437	2.1	438	2.2	435	2.3	424	2.5	425	2.6	451	3.0
	369	1.8	369	1.9	397	2.1	373	2.2	374	2.3	345	2.3
	254	1.2	250	1.3	196	1.1	255	1.5	195	1.2	181	1.2
	548	2.6	341	1.7	350	1.9	199	1.2	239	1.5	269	1.8
	72	0.3	71	0.4	70	0.4	69	0.4	69	0.4	67	0.5
	562	2.7	640	3.2	590	3.1	543	3.3	498	3.2	434	2.9
<b>\$</b>	<b>21,009</b>	<b>100.0</b>	<b>\$ 19,849</b>	<b>100.0</b>	<b>\$ 18,593</b>	<b>100.0</b>	<b>\$ 17,192</b>	<b>100.0</b>	<b>\$ 16,055</b>	<b>100.0</b>	<b>\$ 15,032</b>	<b>100.0</b>

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

June 30, 2012  
(Amounts in millions)

	2012	%	2011	%	2010	%	2009	%
		Total		Total		Total		Total
Legislature.....	\$ 58	0.1	\$ 58	0.1	\$ 59	0.1	\$ 60	0.1
Judiciary.....	780	1.5	788	1.5	788	1.7	814	1.6
Inspector General.....	3	-	3	-	4	-	3	-
Governor and Lieutenant Governor.....	7	-	5	-	5	-	8	-
Secretary of the Commonwealth.....	43	0.1	46	0.1	54	0.1	53	0.1
Treasurer and Receiver-General.....	5,847	11.6	5,610	10.6	5,483	11.5	6,043	12.2
Auditor of the Commonwealth.....	18	-	17	-	17	-	20	-
Attorney General.....	53	0.1	51	0.1	53	0.1	57	0.1
Ethics Commission.....	2	-	2	-	2	-	2	-
District attorney.....	101	0.2	97	0.2	96	0.2	104	0.2
Office of Campaign and Political Finance.....	1	-	3	-	1	-	1	-
Sheriff's Departments.....	532	1.1	511	1.0	378	0.8	295	0.6
Disabled Persons Protection Commission.....	2	-	2	-	2	-	3	-
Board of Library Commissioners.....	34	0.1	34	0.1	34	0.1	48	0.1
Comptroller.....	1	-	14	-	15	-	14	-
Administration and finance.....	13	-	7,206	13.7	7,040	14.9	6,892	14.2
Energy and environmental affairs.....	7,456	14.8	482	0.9	529	1.1	526	1.1
Housing and community development.....	456	0.9	-	-	-	-	-	-
Health and human services.....	17,632	35.0	17,737	33.5	16,044	33.8	16,468	33.3
Transportation and public works.....	-	-	-	-	509	1.1	1,689	3.4
Massachusetts department of transportation....	2,323	4.6	2,278	4.3	1,542	3.2	-	-
Executive office of education.....	3,030	6.0	3,225	6.1	3,184	6.7	3,390	6.9
Public safety and homeland security.....	1,236	2.5	1,172	2.2	1,308	2.7	1,456	2.9
Housing and economic development .....	1,203	2.4	1,283	2.4	1,245	2.6	981	2.0
Labor and workforce development.....	390	0.8	428	0.8	403	0.8	331	0.7
Elder affairs.....	-	-	-	-	-	-	-	-
Consumer affairs.....	-	-	-	-	-	-	-	-
Labor.....	-	-	-	-	-	-	-	-
Post employment benefits.....	1,892	3.8	1,839	3.5	1,749	3.7	1,314	2.7
Debt service.....	2,660	5.3	2,128	4.0	2,117	4.5	2,145	4.3
Payments to advance refunding								
escrow agent.....	-	-	540	1.0	538	1.1	-	-
Other fund deficit support.....	-	-	-	-	-	-	220	0.4
Other interfund transfers.....	4,606	9.1	7,337	13.9	4,373	9.2	6,456	13.1
Total expenditures and other financing uses....	<u>\$ 50,379</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>

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

For fiscal years 2009 to 2012, this schedule reflects Budgeted, Non-Budgeted and Capital Projects expenditures and other financing uses only.



2008	% Total	2007	% Total	2006	% Total	2005	% Total	2004	% Total	2003	% Total
\$ 58	0.1	\$ 59	0.2	\$ 55	0.1	\$ 54	0.1	\$ 51	0.1	\$ 55	0.1
831	1.7	788	1.8	672	1.6	634	1.5	599	1.4	589	1.4
3	-	3	-	3	-	4	-	2	-	2	-
9	-	5	-	5	-	5	-	5	-	5	-
53	0.1	55	0.1	45	0.1	50	0.1	45	0.1	49	0.1
5,640	11.8	5,267	11.7	5,635	13.6	5,760	13.7	4,600	11.1	4,416	10.5
19	-	18	-	19	-	18	-	16	-	17	-
56	0.1	52	0.1	49	0.1	45	0.1	44	0.1	45	0.1
2	-	2	-	1	-	2	-	1	-	1	-
104	0.2	96	0.2	88	0.2	82	0.2	81	0.2	79	0.2
1	-	2	-	1	-	1	-	1	-	1	-
296	0.7	275	0.6	251	0.6	226	0.5	218	0.5	216	0.5
2	-	2	-	2	-	2	-	2	-	2	-
46	0.1	42	0.1	49	0.1	47	0.1	48	0.1	46	0.1
14	-	14	-	14	0.0	21	-	35	0.1	21	-
7,059	14.8	7,043	15.7	6,601	16.1	6,235	14.8	6,184	15.0	6,241	14.9
473	1.0	450	1.0	390	0.9	346	0.8	336	0.8	357	0.9
-	-	509	1.1	659	1.6	597	1.4	589	1.4	568	1.4
15,504	32.5	14,456	32.2	13,539	32.6	13,383	31.8	12,504	30.1	11,338	27.0
1,378	2.9	1,404	3.1	1,376	3.3	1,569	3.7	1,586	3.8	1,844	4.4
-	-	-	-	-	-	-	-	-	-	-	-
2,989	6.3	2,936	6.5	2,726	6.6	2,250	5.4	2,481	6.0	2,589	6.2
1,381	2.9	1,253	2.8	1,180	2.8	1,111	2.6	1,160	2.8	1,156	2.8
857	1.8	508	1.1	323	0.8	299	0.7	326	0.8	31	0.1
274	0.6	67	0.1	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	315	0.8
-	-	-	-	-	-	-	-	-	-	55	0.1
-	-	-	-	-	-	-	-	-	-	282	0.7
1,399	2.9	1,335	3.0	1,275	3.1	1,217	2.9	702	1.7	813	1.9
2,239	4.7	2,352	5.2	2,028	4.9	1,719	4.1	1,605	3.9	1,467	3.5
-	-	1,531	3.4	633	1.5	1,153	2.7	2,833	6.8	3,398	8.1
1,593	3.3	-	-	-	-	-	-	-	-	-	-
5,403	11.3	4,383	9.8	3,887	9.4	5,197	12.4	5,503	13.2	5,963	14.2
<u>\$ 47,683</u>	<u>100.0</u>	<u>\$ 44,907</u>	<u>100.0</u>	<u>\$ 41,506</u>	<u>100.0</u>	<u>\$ 42,027</u>	<u>100.0</u>	<u>\$ 41,556</u>	<u>100.0</u>	<u>\$ 41,961</u>	<u>100.0</u>

**Ten-Year Schedule Of Budgeted Funds Expenditures and Other Financing Uses By  
Major Program Category**  
June 30, 2012  
(Amounts in millions)

	2012	2011	2010	2009	2008*	2007	2006	2005	2004	2003
Direct local aid.....	\$ 4,929	\$ 4,785	\$ 4,837	\$ 4,724	\$ 5,040	\$ 5,033	\$ 4,619	\$ 4,477	\$ 4,784	\$ 5,069
Medicaid**.....	10,431	10,237	9,287	8,537	8,104	7,413	6,726	5,857	5,742	5,485
Other health and human services.....	4,711	4,615	4,616	4,970	5,014	-	-	-	-	-
Public assistance.....	-	-	-	-	-	1,258	1,129	1,095	1,019	1,019
Elementary and secondary education.....	436	349	358	496	486	-	-	-	-	-
Higher education.....	937	943	846	1,036	1,085	1,116	988	915	831	969
Early education and care.....	494	515	513	560	550	-	-	-	-	-
Public safety.....	930	905	1,053	1,224	1,265	-	-	-	-	-
Energy and environment.....	187	186	202	216	227	-	-	-	-	-
MBTA and regional transit authorities.....	-	-	-	-	-	52	50	49	53	42
Post employment benefits.....	1,892	1,839	1,749	1,314	1,399	1,335	1,275	1,217	702	813
Group health insurance.....	1,206	1,130	1,064	973	853	1,022	964	846	788	739
Debt service.....	1,923	1,664	1,860	1,891	1,868	2,085	1,666	1,581	1,420	1,374
<b>Major programs.....</b>	<b>28,076</b>	<b>27,168</b>	<b>26,385</b>	<b>25,941</b>	<b>25,891</b>	<b>19,314</b>	<b>17,417</b>	<b>16,037</b>	<b>15,339</b>	<b>15,510</b>
Other program expenditures.....	2,899	2,851	2,999	2,762	2,739	8,343	7,777	7,247	6,819	6,700
Interfund transfers and other financing uses..	2,515	5,520	1,810	3,867	4,405	1,819	1,749	2,726	2,749	3,540
<b>Total expenditures and other financing uses..</b>	<b>\$ 33,490</b>	<b>\$ 35,539</b>	<b>\$ 31,194</b>	<b>\$ 32,570</b>	<b>\$ 33,035</b>	<b>\$ 29,476</b>	<b>\$ 26,943</b>	<b>\$ 26,010</b>	<b>\$ 24,907</b>	<b>\$ 25,750</b>

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

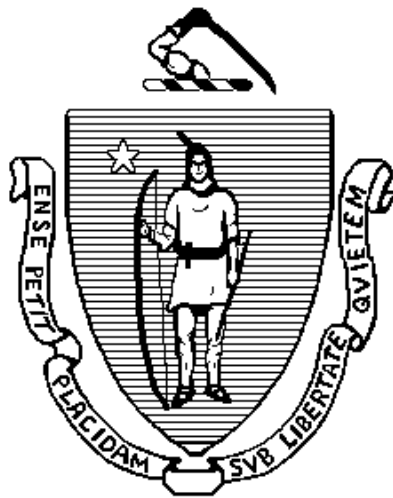
\*\* Exclusive of Non-Budgeted Medicaid spending from FY03 through FY2007 within the Health Care Quality Improvement Fund totalling \$201 million, \$288 million, \$292 million, \$292 million and \$290 million in FY03 through FY07 respectively.

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

Fiscal Year Ended June 30, 2012  
(Amounts in millions)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General obligation bonds.....	\$18,852	\$18,517	\$17,683	\$17,052	\$16,085	\$16,033	\$15,393	\$14,492	\$14,143	\$13,651
Grant anticipation notes*.....	610	766	991	1,134	1,536	1,666	1,789	1,907	1,907	1,499
Special obligation bonds.....	1,972	1,592	1,053	1,079	1,113	1,249	1,279	1,458	1,332	813
Commonwealth long-term bonds...	\$ 21,434	\$ 20,875	\$ 19,727	\$ 19,265	\$ 18,734	\$ 18,948	\$ 18,461	\$ 17,857	\$ 17,382	\$ 15,963

\*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 to the overall financial operations of the respective institutions, and are in addition to amounts made available from appropriations. The Public Institutions of Higher Education include:

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

***State University Systems*** – The State College and University Systems includes the three state colleges, and six state universities, which provide four-year post-secondary education programs. These colleges 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, 2012  
(Amounts in thousands)

	University of Massachusetts	State Universities and Colleges	Community Colleges	TOTALS	
				2012	2011*
<b>Revenues and other financing sources</b>					
Federal grants and reimbursements.....	\$ 404,707	\$ 49,182	\$ 184,809	\$ 638,698	\$ 627,346
Departmental revenue.....	1,061,880	392,689	366,999	1,821,568	1,695,310
Miscellaneous revenue.....	1,015,762	336,813	284,176	1,636,751	1,618,646
Total revenues and other financing sources.....	<u>2,482,349</u>	<u>778,684</u>	<u>835,984</u>	<u>4,097,017</u>	<u>3,941,302</u>
<b>Expenditures and other financing uses</b> (by MMARS subsidiary):					
AA Regular employee compensation.....	612,273	143,177	175,189	930,639	801,352
BB Regular employee related expenses.....	22,529	4,621	3,693	30,843	28,827
CC Special employees and contracted services.....	228,776	115,910	202,358	547,044	508,716
DD Pension and insurance.....	201,411	42,413	42,520	286,344	240,763
EE Administrative expenditures.....	224,678	62,007	76,700	363,385	195,833
FF Facility operational supplies.....	190,713	13,183	21,699	225,595	207,708
GG Energy costs and space rental.....	130,107	29,302	24,184	183,593	183,123
HH Consultant services.....	198,014	12,259	9,722	219,995	228,089
JJ Operational services.....	39,118	30,037	7,738	76,893	71,919
KK Equipment purchase.....	25,443	6,792	9,272	41,507	40,512
LL Equipment leases, maintenance and repair.....	22,818	7,812	5,711	36,341	38,316
MM Purchased client services and programs.....	18,352	3,066	3,998	25,416	26,199
NN Construction and improvements.....	98,858	31,927	19,238	150,023	173,313
PP Aid to local governments.....	-	93	323	416	489
RR Benefit programs.....	174,080	80,808	168,858	423,746	517,600
SS Debt payment.....	362	7,623	1,824	9,809	8,553
TT Loans and special payments.....	176,505	141,038	28,346	345,889	427,366
UU Information technology (IT) expenses .....	77,821	19,298	33,451	130,570	119,456
Total expenditures and other financing uses.....	<u>2,441,858</u>	<u>751,366</u>	<u>834,824</u>	<u>4,028,048</u>	<u>3,818,134</u>
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses.....	40,491	27,318	1,160	68,969	123,168
Fund balance at beginning of year.....	<u>767,598</u>	<u>281,359</u>	<u>272,313</u>	<u>1,321,270</u>	<u>1,198,102</u>
Fund balance at end of year.....	<u>\$ 808,089</u>	<u>\$ 308,677</u>	<u>\$ 273,473</u>	<u>\$ 1,390,239</u>	<u>\$ 1,321,270</u>

\* Fund balances restated

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

Fiscal Year Ended June 30, 2012  
(Amounts in thousands)

	<u>2012</u>	<u>2011*</u>
<b>Revenues and other financing sources</b>		
Federal grants and reimbursements.....	\$ 404,707	\$ 401,416
Departmental revenue.....	1,061,880	978,739
Miscellaneous revenue.....	<u>1,015,762</u>	<u>1,030,766</u>
Total revenues and other financing sources.....	<u>2,482,349</u>	<u>2,410,921</u>
<b>Expenditures and other financing uses</b>		
(by MMARS subsidiary):		
AA Regular employee compensation.....	612,273	561,660
BB Regular employee related expenses.....	22,529	21,729
CC Special employees and contracted services.....	228,776	219,923
DD Pension and insurance.....	201,411	174,804
EE Administrative expenditures.....	224,678	90,283
FF Facility operational supplies.....	190,713	171,378
GG Energy costs and space rental.....	130,107	130,688
HH Consultant services.....	198,014	208,171
JJ Operational services.....	39,118	36,440
KK Equipment purchase.....	25,443	20,193
LL Equipment leases, maintenance and repair.....	22,818	22,632
MM Purchased client services and programs.....	18,352	18,804
NN Construction and improvements.....	98,858	118,334
RR Benefit programs.....	174,080	256,436
SS Debt payment.....	362	-
TT Loans and special payments.....	176,505	279,797
UU Information technology (IT) expenses .....	<u>77,821</u>	<u>79,173</u>
Total expenditures and other financing uses.....	<u>2,441,858</u>	<u>2,410,445</u>
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses.....	40,491	476
Fund balance at beginning of year.....	<u>767,598</u>	<u>767,122</u>
Fund balance at end of year.....	<u>\$ 808,089</u>	<u>\$ 767,598</u>

\* Fund balances restated

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

Fiscal Year Ended June 30, 2012  
(Amounts in thousands)

	Bridgewater State University	Framingham State University	Fitchburg State University	Massachusetts College of Art
<b>Revenues and other financing sources</b>				
Federal grants and reimbursements.....	\$ 12,805	\$ 4,299	\$ 6,047	\$ 2,512
Departmental revenue.....	103,097	41,906	46,320	19,808
Miscellaneous revenue.....	65,104	43,658	20,992	16,754
<b>Total revenues and other financing sources.....</b>	<b>181,006</b>	<b>89,863</b>	<b>73,359</b>	<b>39,074</b>
<b>Expenditures and other financing uses</b> (by MMARS subsidiary):				
AA Regular employee compensation.....	51,425	7,870	15,467	9,808
BB Regular employee related expenses.....	1,158	301	284	445
CC Special employees and contracted services.....	35,916	9,162	10,824	5,766
DD Pension and insurance.....	16,829	2,567	4,484	1,200
EE Administrative expenditures.....	9,981	29,483	2,509	2,009
FF Facility operational supplies.....	2,314	1,482	1,084	1,159
GG Energy costs and space rental.....	5,323	3,487	3,722	1,551
HH Consultant services.....	3,262	1,674	633	1,334
JJ Operational services.....	9,520	5,554	39	1,469
KK Equipment purchase.....	2,297	837	810	589
LL Equipment leases, maintenance and repair.....	3,409	645	688	232
MM Purchased client services and programs.....	1,160	600	127	-
NN Construction and improvements.....	4,742	1,992	2,477	4,169
PP Aid to local governments.....	-	93	-	-
RR Benefit programs.....	19,060	6,176	8,435	5,530
SS Debt payment.....	-	429	-	-
TT Loans and special payments.....	13,424	11,079	19,633	2,799
UU Information technology (IT) expenses.....	145	3,237	3,001	1,629
<b>Total expenditures and other financing uses.....</b>	<b>179,965</b>	<b>86,668</b>	<b>74,217</b>	<b>39,689</b>
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses...	1,041	3,195	(858)	(615)
Fund balance at beginning of year.....	34,873	38,014	49,288	15,778
Fund balance at end of year.....	<b>\$ 35,914</b>	<b>\$ 41,209</b>	<b>\$ 48,430</b>	<b>\$ 15,163</b>

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	
					2012	2011
\$ 1,114	\$ 3,347	\$ 11,533	\$ 354	\$ 7,171	\$ 49,182	\$ 48,137
26,528	21,389	19,950	48,630	65,061	392,689	377,283
11,459	15,174	114,557	16,983	32,132	336,813	332,871
<u>39,101</u>	<u>39,910</u>	<u>146,040</u>	<u>65,967</u>	<u>104,364</u>	<u>778,684</u>	<u>758,291</u>
6,421	8,925	23,100	2,564	17,597	143,177	101,034
555	405	228	660	585	4,621	3,730
5,439	8,238	16,580	7,024	16,961	115,910	103,632
1,072	1,177	7,949	534	6,601	42,413	30,495
1,342	2,010	9,193	2,777	2,703	62,007	46,092
1,031	419	3,010	1,523	1,161	13,183	13,705
2,032	1,287	4,853	2,043	5,004	29,302	30,716
719	914	1,271	1,404	1,048	12,259	11,759
6,384	3,665	1,602	705	1,099	30,037	28,637
311	305	620	446	577	6,792	8,066
483	303	599	774	679	7,812	8,058
-	-	669	-	510	3,066	3,025
1,289	5,049	5,083	2,163	4,963	31,927	35,075
-	-	-	-	-	93	93
1,079	5,463	17,495	8,866	8,704	80,808	108,530
-	47	-	-	7,147	7,623	6,777
3,797	2,917	57,991	5,984	23,414	141,038	121,125
1,652	685	4,801	1,503	2,645	19,298	19,116
<u>33,606</u>	<u>41,809</u>	<u>155,044</u>	<u>38,970</u>	<u>101,398</u>	<u>751,366</u>	<u>679,665</u>
5,495	(1,899)	(9,004)	26,997	2,966	27,318	78,626
<u>12,669</u>	<u>16,947</u>	<u>42,855</u>	<u>36,152</u>	<u>34,784</u>	<u>281,359</u>	<u>202,733</u>
<u>\$ 18,164</u>	<u>\$ 15,048</u>	<u>\$ 33,851</u>	<u>\$ 63,149</u>	<u>\$ 37,750</u>	<u>\$ 308,677</u>	<u>\$ 281,359</u>

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

Fiscal Year Ended June 30, 2012

(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
<b>Revenues and other financing sources</b>							
Federal grants and reimbursements.....	\$ 4,943	\$ 26,153	\$ 17,420	\$ 5,316	\$ 5,008	\$ 14,100	\$ 16,175
Departmental revenue.....	7,048	44,919	14,053	12,798	12,155	14,101	29,657
Miscellaneous revenue.....	6,491	26,783	46,399	13,136	7,597	18,096	18,746
Total revenues and other financing sources.....	18,482	97,855	77,872	31,250	24,760	46,297	64,578
<b>Expenditures and other financing uses</b>							
(by MMARS subsidiary):							
AA Regular employee compensation.....	3,475	33,911	14,354	4,931	6,927	7,028	11,034
BB Regular employee related expenses.....	83	166	315	158	484	385	64
CC Special employees and contracted services.....	5,956	15,226	28,056	10,186	4,822	8,703	17,481
DD Pension and insurance.....	1,347	2,940	5,734	2,035	2,507	2,368	4,254
EE Administrative expenditures.....	1,009	2,578	1,846	1,281	643	1,646	2,206
FF Facility operational supplies.....	400	1,134	881	395	891	3,350	1,232
GG Energy costs and space rental.....	789	1,677	2,104	1,497	1,132	1,065	1,252
HH Consultant services.....	335	559	697	461	704	294	281
JJ Operational services.....	547	1,684	583	236	591	891	262
KK Equipment purchase.....	313	768	966	91	282	635	598
LL Equipment leases, maintenance and repair.....	166	742	220	82	161	173	587
MM Purchased client services and programs.....	29	465	753	-	14	42	606
NN Construction and improvements.....	898	2,351	2,357	912	523	1,679	3,455
PP Aid to local governments.....	-	-	294	-	5	-	-
RR Benefit programs.....	2,407	26,823	18,179	6,930	5,273	15,694	12,079
SS Debt payment.....	25	-	-	-	-	150	171
TT Loans and special payments.....	299	-	260	96	76	-	5,423
UU Information technology (IT) expenses.....	744	3,479	1,843	1,070	763	2,431	1,754
Total expenditures and other financing uses.....	18,822	94,503	79,442	30,361	25,798	46,534	62,739
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses.....	(340)	3,352	(1,570)	889	(1,038)	(237)	1,839
Fund balance at beginning of year.....	3,575	20,564	16,955	16,854	1,716	11,408	17,123
Fund balance at end of year.....	\$ 3,235	\$ 23,916	\$ 15,385	\$ 17,743	\$ 678	\$ 11,171	\$ 18,962

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	
								2012	2011
\$ 6,700	\$ 20,824	\$ 570	\$ 13,289	\$ 16,548	\$ 15,080	\$ 8,013	\$ 14,670	\$ 184,809	\$ 177,793
21,248	32,839	29,797	41,421	31,608	46,498	1,905	26,952	366,999	339,288
13,447	29,230	19,472	26,781	18,005	925	26,362	12,706	284,176	255,009
41,395	82,893	49,839	81,491	66,161	62,503	36,280	54,328	835,984	772,090
4,154	18,931	23,723	6,034	26,453	10,475	1,484	2,275	175,189	138,658
176	552	279	35	161	498	79	258	3,693	3,368
12,515	25,824	8,452	7,088	8,176	13,260	28,017	8,596	202,358	185,161
2,456	7,177	2,126	1,967	2,497	3,595	567	950	42,520	35,464
10,384	2,891	1,596	42,733	2,205	2,402	620	2,660	76,700	59,458
526	1,287	1,401	29	3,929	4,446	580	1,218	21,699	22,625
2,100	5,702	1,988	103	1,363	1,176	634	1,602	24,184	21,719
-	2	558	19	1,066	1,846	597	2,303	9,722	8,159
-	-	244	56	275	223	643	1,503	7,738	6,842
-	894	977	56	1,112	704	154	1,722	9,272	12,253
-	508	890	10	111	631	142	1,288	5,711	7,626
278	-	591	-	190	-	11	1,019	3,998	4,370
2,189	4	482	591	1,178	569	333	1,717	19,238	19,904
-	-	24	-	-	-	-	-	323	396
3,064	115	4,063	23,508	14,518	16,744	1,241	18,220	168,858	152,634
10	-	117	-	1,318	33	-	-	1,824	1,776
-	20,291	1,718	-	-	183	-	-	28,346	26,444
11,320	69	46	73	2,502	6,256	1,047	54	33,451	21,167
49,172	84,247	49,275	82,302	67,054	63,041	36,149	45,385	834,824	728,024
(7,777)	(1,354)	564	(811)	(893)	(538)	131	8,943	1,160	44,066
50,527	9,951	6,955	9,399	13,072	4,106	15,922	74,187	272,313	228,247
\$ 42,750	\$ 8,597	\$ 7,519	\$ 8,588	\$ 12,179	\$ 3,568	\$ 16,053	\$ 83,130	\$ 273,473	\$ 272,313



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