

# Commonwealth of Massachusetts



## Statutory Basis Financial Report

*For the Fiscal Year Ended June 30, 2013*

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)

Gloucester Harbor

Winslow Homer, 1873

In the collection of the Nelson-Atkins Museum of Art, Kansas City, MO

# Statutory Basis Financial Report

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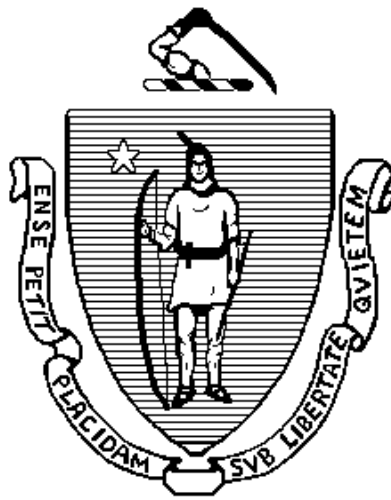
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# *Introductory Section*



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*

*November 1, 2013*

*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, 2013 (FY13).

As of June 30, 2013, the Commonwealth had a budgeted fund balance of approximately \$1.874 billion and completed the fiscal year with a consolidated net surplus of \$106.8 million, sufficient to meet statutory requirements, as set out in the FY14 General Appropriation Act and FY13 final supplemental appropriation bill, to provide \$25 million to the Massachusetts Community Preservation Trust Fund, \$19.5 million to the Massachusetts Life Sciences Investment Fund, \$10 million to the Housing Preservation and Stabilization Trust Fund, \$11.5 million to the Department of Early Education and Care, \$11.5 million to human and social service providers for a one-time reserve payment, \$7.5 million to the Social Innovation Financing Trust Fund and \$21.8 million for information technology operating expenses. The total budgeted fund balance of \$1.874 billion reflects a loss (revenues and other financing sources less than expenditures and other financing uses) of approximately \$115 million, deducted from the FY13 beginning balance of \$1.990 billion. Of the total budgeted fund balance, \$1.557 billion is reserved in the Stabilization Fund, compared to \$1.652 billion at the end of FY12. At the end of FY13, \$297 million is reserved for continuing appropriations (including \$106.8 million in FY13 end of year surplus allocations) and debt service into fiscal year 2014. The remaining undesignated balance of \$21 million is made up of smaller budgeted fund balances.

In FY13, the Commonwealth used \$229 million in funds it received from the federal American Recovery and Reinvestment Act (ARRA) (virtually none of it in the budgeted funds); in FY14, ARRA funds are expected to total approximately \$80 million.

During FY13, budgeted fund tax revenues increased by \$988 million, or 5.0%, from FY12, as the economy continued its moderate recovery. Income taxes increased by \$920 million, or 7.7%, from FY12, and sales and use taxes increased by \$106 million, or 2.1%. Total budgeted fund revenues and other financing sources increased by \$1.657 billion, or 4.9%. More than \$470 million of income tax revenue growth was due to an increase in capital gains tax collections, as taxpayers accelerated capital gains realizations in response to an increase in tax rates effective January 1, 2013.

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

approximately \$669 million in one-time FY12 solutions. These were offset by approximately \$500 million in deposits of one-time revenues to the Stabilization Fund.

Significant FY13 use of one-time resources included:

- \$550 million in Stabilization Fund reserves;
- \$112 million in additional revenues as a result of suspension of statutory carry-forwards;
- \$49 million in one-time enhanced federal claims generated by the Executive Office of Health and Human Services;
- \$46 million in additional revenues from a delay in the implementation of the so-called FAS 109 corporate tax deduction;
- \$45 million in one-time transfers from the Group Insurance Trust Funds;
- \$44 million from the use of Commonwealth Care Reserves;
- \$26 million in one-time contributions from quasi-public entities;
- \$11 million in one-time transfers from Commonwealth trust accounts;
- \$10 million in one-time budgetary reductions;
- \$10 million in one-time unclaimed property transfers.

In FY13, \$468 million was transferred to the Commonwealth Stabilization Fund as a result of a statutory requirement that capital gains tax revenues in excess of \$1 billion be deposited in that fund. This requirement, which was triggered for the first time in FY13, is intended to reduce the Commonwealth's reliance on one-time revenue sources. Under a second statutory requirement, also intended to reduce reliance on one-time revenue sources, an additional \$134 million in one-time tax settlements was received in FY13, which normally would have been transferred to the Commonwealth Stabilization Fund. However, budgetary provisions enacted required certain amounts of tax settlements, approximately \$101 million, to be used for other purposes:

- \$46 million to fund various end of year transfers and programs;
- \$30 million was retained in the General Fund to fund the Hinton drug lab remediation;
- \$21 million was retained in the General Fund as reimbursement for revenue foregone during the August 2012 sales tax;
- \$4 million was transferred to the Smart Growth Housing Trust Fund.

During FY13, the Commonwealth also transferred \$5 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 FY13. Between June 2012 and June 2013, on a seasonally adjusted basis, Massachusetts employment grew by 35,400, or 1.1%, compared to employment growth of 1.7% for the United States as a whole over the same period. In June 2013, the Massachusetts unemployment rate was 7.0%, compared to 7.6% nationally.

The General Appropriation Act for FY14 is based on a consensus tax revenue estimate of approximately \$22.334 billion, of which approximately \$19.179 billion represents taxes available for budget after adjusting for \$3.155 billion in tax revenue that is allocated to state pension contributions (\$1.630 billion), sales tax revenue dedicated to the Massachusetts Bay Transportation Authority (\$799 million) and the Massachusetts School Building Authority (\$704 million) and revenue transferred to the non-budgetary Workforce Training Fund (\$22 million). The FY14 tax revenue estimate was further adjusted to \$22.797 billion (of which \$19.642 billion was available for budget) as a result of several tax law changes included in the FY14 budget or enacted separately.

As of September 30, 2013, FY14 tax collections were \$199 million above the year-to-date benchmark based on the \$22.797 billion estimate. On October 15, 2013 the Executive Office for Administration and Finance reaffirmed the FY14 tax revenue estimate of \$22.797 billion and taxes available for budget of \$19.642 billion.

### ***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 FY13 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 CAFR according to GAAP. The major differences are that the CAFR reflects capital assets and depreciation expense, all types of long-term obligations – including debt – and that in the CAFR the financial statements are presented in an all-encompassing, net position and net expense format.

In accordance with Section 12 of Chapter 7A of the Massachusetts General Laws, as amended, the Office of the Comptroller is required to transmit the SBFR by October 31<sup>st</sup>. The SBFR for the fiscal year ended June 30, 2013 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 (ARRA)***

For the year ended June 30, 2013, ARRA funds received by the Commonwealth totaled approximately \$229 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. Information can be found at <http://www.mass.gov/recovery> for daily updates on how ARRA is benefiting the Commonwealth.

***Lottery***

In FY13, the Commonwealth transferred approximately \$899 million to municipalities in so-called Unrestricted General Government Aid (formerly called Lottery Aid) – \$869 million from Lottery profits along with an additional \$30 million funded from the General Fund.

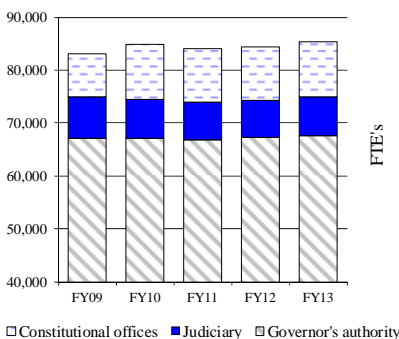
Gross Lottery revenues (including the Arts Lottery) increased from \$4.942 billion in FY12 to \$5.043 billion in FY13, or 2.1%. Lottery profits, after deducting administrative expenses and fringe benefit charges reimbursed to the Commonwealth’s General Fund, totaled \$956 million, a decrease of \$28 million, or 2.8%, from FY12.

The FY14 General Appropriation Act contains provisions for \$920 million in Unrestricted General Government Aid.

***Full-Time Equivalent Employment***

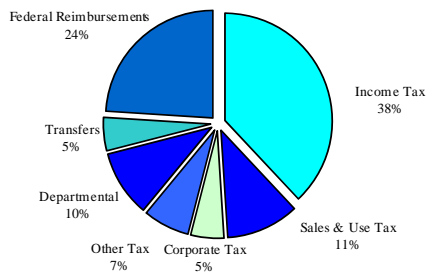
The chart to the left shows the Commonwealth’s full-time equivalent employment including Massachusetts Department of Transportation (MassDOT) for all state funding sources (budgetary, non-budgetary, capital, federal and trust) over the past five fiscal years. In FY13, the number of Commonwealth FTEs increased by approximately 900, to a total of 85,356, with most of the increases in higher education

***Full Time Equivalent Workforce  
Including Higher Education  
June 2009 – June 2013***



(approximately 350 additional FTEs), public safety (approximately 290 additional FTEs) and the courts (approximately 140 additional FTEs). 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 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 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 4,900 FTEs between June 30, 2008 and June 30, 2013.

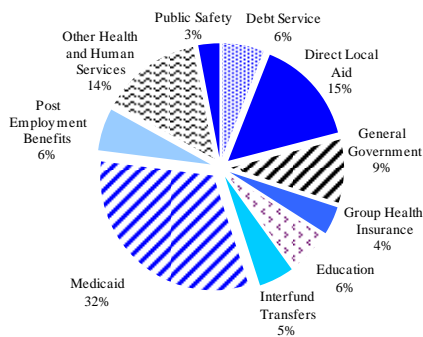
***Budgeted Revenues and Other Sources***



***The Budgeted Funds***

The FY13 General Appropriation Act (GAA) authorized approximately \$32.002 billion in spending, exclusive of approximately \$1.552 billion in required pension contributions and \$163 million in FY12 spending authorized to be continued into FY13 as part of FY12 end-of-year supplemental budgets.

***Budgeted Expenditures and Other Uses***



The FY13 budget as enacted by the Legislature was based on a FY13 consensus tax revenue estimate of \$21.950 billion, of which approximately \$18.902 billion represented taxes available for budget after adjusting for \$3.048 billion in tax revenue 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 deposited in the non-budgeted Workforce Training Fund (\$20 million). FY13 revenues available for budget were further adjusted to \$22.011 billion (with \$18.962 billion available for budget) as a result of several tax law changes included in the enacted FY13 budget or enacted soon after that budget was passed. In December, 2012, the Secretary of Administration and Finance revised the FY13 tax revenue estimate downward by \$515 million to \$21.496 billion. Tax revenues ended the year \$627 million above the final FY13 tax estimate, and \$112 million above the original FY13 tax estimate.

Approximately \$266 million in supplemental appropriations were authorized during FY13 prior to June 30, 2013. Subsequent to year end, an additional supplemental budget was enacted totaling approximately \$175 million in new FY13 appropriations, all of which were continued to FY14 and reappropriated. The year's significant supplemental appropriation activity included approximately:

- \$171 million transfer for the MassHealth Provider Payment;
- \$56 million for a snow and ice reserve;

- \$39 million for emergency assistance for family shelters and services;
- \$35 million for the compensation of private counsel;
- \$30 million for the Hinton Lab response reserve;
- \$20 million to prefund the federally reimbursed home heating assistance program (LIHEAP);
- \$14 million for primary and other elections;
- \$13 million for homeless family shelter overflow;
- \$11 million in facility services program expenses;
- \$10 million for summer jobs for youths-at-risk;
- \$8 million in charter school reimbursements to cities;
- \$8 million for Plymouth Sheriff's department expenses;
- \$8 million for indigent persons' fees and court costs;
- \$6 million for Bristol Sheriff's department expenses;
- \$5 million for the Massachusetts short-term housing program;
- \$5 million for a reserve for certain court judgments;
- \$5 million for Boston Marathon reserve.

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) increased by \$1.232 billion, or 3.8%, in FY13. Tax revenue grew by \$988 million, or 5.0%, as a result of continuing growth in the economy and an increase in capital gains tax revenues that resulted from acceleration of capital gains realizations by investors in anticipation of tax increases effective January 1, 2013. Federal reimbursements increased by \$257 million, or 3.2%, primarily due to growth in reimbursable Medicaid spending. Interfund transfers from non-budgeted funds decreased by \$208 million, or 11.8%, primarily due to a decrease of approximately \$75 million in fringe benefit cost recovery resulting from lower fringe benefit and payroll tax rates and a decrease of \$79 million in abandoned property transfers to the General Fund.

The Commonwealth continues to receive revenues from the Master Settlement Agreement (MSA) between the states and the tobacco industry to recover healthcare costs for tobacco-related illnesses. The MSA provides for three sets of payments to the states: Initial Payments in 1999-2003; Annual Payments starting in April 2000 and running in perpetuity; and Strategic Contribution Payments from 2008-2017. The MSA estimates Commonwealth revenues for the first 25 years of the settlement to be approximately \$8.962 billion, including Strategic Contribution Payments. However, this estimate is subject to future adjustments, including adjustments for inflation and changes in the volume of domestic cigarette sales. In FY13, the Commonwealth received \$253 million, a decrease of \$130,000 from FY12. The \$253 million represented approximately 68.5% of the estimated amounts shown in the MSA. By statute, in FY13, 10% of tobacco settlement

payments were deposited in the State Retiree Benefits Trust Fund (SRBTF) to fund the Commonwealth's liability for retiree health care. For FY13, this totaled approximately \$25 million. The portion of the annual tobacco settlements dedicated to the SRBTF will increase 10% per year until it reaches 100% in FY23.

Budgeted expenditures and other financing uses, including transfers to non-budgeted funds (but before transfers between the budgeted funds) increased by \$1.437 billion, or 4.4%, from FY12, due to increases in health care spending, debt service and local aid.

Spending on programs and services grew by \$935 million, or 3.4%. Medicaid expenditures grew by \$369 million, or 3.5%, from \$10.431 billion in FY12 to \$10.800 billion in FY13, due to increased enrollment, rate adjustments and utilization. However, numerous savings initiatives implemented by MassHealth helped contain costs, including maintaining lower rates for managed care, fee-for-service and primary care providers.

Debt service grew by \$194 million, or 10.1%. Interfund transfers to non-budgeted funds (primarily the Universal Health Care funds) increased by \$233 million or 15.7%, as approximately \$47 million of capital gains revenue was transferred to the State Retiree Benefit Trust Fund (\$23.4 million) and the State Pension Liability Fund (\$23.4 million) and the medical assistance transfer (which funds payments to hospitals that care for a disproportionate share of lower-income patients) increased by approximately \$170 million in FY12. Post-employment benefits (for pension contributions and health insurance) grew by \$75 million, or 3.9%. Spending for direct local aid (both education aid and unrestricted aid), at \$5.116 billion, was up \$186 million, or 3.8%, from FY12.

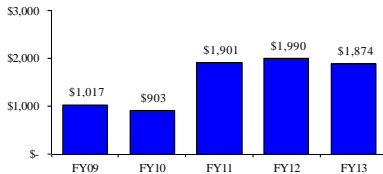
The Budgeted Funds – Operations table on page 8 displays the FY13 summary of budgeted funds compared to FY12. The FY13 financial statements for each of the seven active individual budgeted funds are included in the financial section of this report.

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 FY13, transfers among the Budgeted Funds increased, primarily as a result of an increase in transfers to and from the Stabilization Fund. A detailed list of these interfund transfers is included in Note 3 of the financial statements and Schedule C of the Supplemental Information section of this report.

**Budgeted Funds - Operations**  
(Amounts in thousands)

	2012	2013
Beginning 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.....	<u>1,900,819</u>	<u>1,989,726</u>
Revenues and other financing sources:		
Taxes.....	19,643,721	20,631,882
Federal reimbursements.....	7,971,705	8,228,417
Departmental and other revenues, including tobacco settlement.....	3,175,016	3,370,528
Interfund transfers from non-budgeted funds and other financing sources...	1,756,105	1,548,131
Budgeted revenues and other financing sources.....	<u>32,546,547</u>	<u>33,778,958</u>
Intragovernmental Service Fund revenues.....	295,794	316,540
Interfund transfers among budgeted funds and other financing sources.....	736,512	1,140,020
Total revenues and other financing sources.....	<u>33,578,853</u>	<u>35,235,518</u>
Expenditures and other financing uses:		
Programs and services.....	27,159,830	28,094,482
Debt service.....	1,923,154	2,117,218
Post employment benefits.....	1,892,326	1,967,042
Interfund transfers to non-budgeted funds and other financing uses.....	1,482,330	1,715,585
Budgeted expenditures and other financing uses.....	<u>32,457,640</u>	<u>33,894,327</u>
Intragovernmental Service Fund expenditures.....	295,794	316,540
Interfund transfers among budgeted funds and other financing uses.....	736,512	1,140,020
Total expenditures and other financing uses.....	<u>33,489,946</u>	<u>35,350,887</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	<u>88,907</u>	<u>(115,369)</u>
Ending fund balances:		
Reserved and designated.....	170,467	297,121
Reserved for Stabilization Fund.....	1,652,118	1,556,657
Undesignated.....	167,141	20,579
Total.....	<u>\$ 1,989,726</u>	<u>\$ 1,874,357</u>

**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.

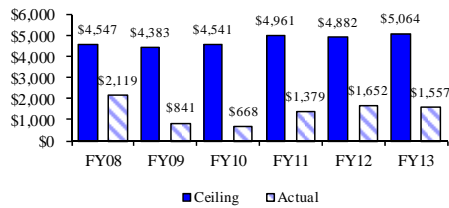
At June 30, 2013, the ending balance is comprised mainly of the fund balance of the General Fund and the Stabilization Fund. Due to designations of fund balances, \$297 million of the total budgeted fund balance, exclusive of the Stabilization Fund, is reserved for appropriations and debt service in FY14. The remainder is undesignated.

*The Stabilization Fund*

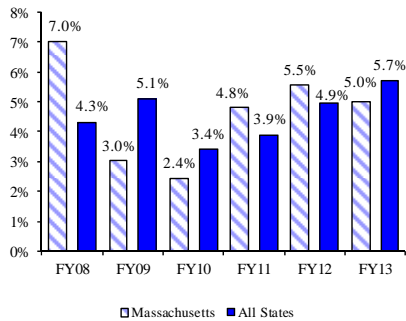
As states around the country continue to struggle with ongoing fiscal challenges, the importance of the Stabilization Fund cannot be overstated. State fiscal conditions improved during FY13, according to the National Association of State Budget Officers’ (NASBO) publication *The Fiscal Survey of the States: Spring 2013*, with eleven states reporting a total of \$1.3 billion in enacted mid-year budget cuts for fiscal 2013, compared with 8 states enacting \$1.7 billion in mid-year budget cuts in fiscal 2012 and 23 states enacting \$7.8 billion in cuts in fiscal 2011. As ARRA revenues were phased out and tax revenue grew

modestly during FY13, the Commonwealth drew on \$550 million in Stabilization Fund transfers to maintain budget balance. In addition, \$5 million of investment income was transferred from the Stabilization Fund to the General Fund per the FY13 budget, and a total of \$47 million in capital gains tax revenue was deposited to the Stabilization Fund and then transferred from the Stabilization Fund to the State Retirement Benefits Trust Fund (SRBTF) (\$23.4 million) and the State Pension Liability Fund (\$23.4 million) in accordance with legislation enacted during the fiscal year that requires 10% of all capital gains taxes over \$1 billion be transferred in equal 5% amounts to the SRBTF and the State Pension Liability Fund. However, these FY13 transfers from the Stabilization Fund were offset by \$500 million in transfers to the Stabilization Fund from the General Fund in accordance with two recent statutory requirements, which mandated that capital gains tax collections in excess of \$1 billion in any fiscal year and judgments and settlements in excess of \$10 million be deposited directly to the Stabilization Fund.

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



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



The FY14 General Appropriation Act and the FY13 final supplemental appropriations bill require that prior to making any FY13 end-of-year Stabilization Fund deposit, the Comptroller transfer \$25 million to the Massachusetts Community Preservation Trust Fund, \$19.5 million to the Massachusetts Life Sciences Investment Fund, \$10 million to the Housing Preservation and Stabilization Trust Fund, \$11.5 million to the Department of Early Education and Care, \$11.5 million to private human and social service providers for a one-time rate reserve payment, \$7.5 million to the Social Innovation Financing Trust Fund and \$21.8 million for information technology operating expenses. These transfers utilized the entire surplus balances in the budgeted funds, so that no residual balance was transferred to the Stabilization Fund at the end of FY13. At the end of FY13, the Stabilization Fund balance was \$1.557 billion, a decline of \$95 million from FY12. For FY14, 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. Through September 30, 2013, these withdrawals had been offset by approximately \$70 million in FY14 deposits to the Stabilization Fund due to judgments and settlements exceeding \$10 million.

The top chart on the left shows that the Stabilization Fund balance declined rapidly between FY08 and FY10 as the recession caused reductions in revenues and increased costs for safety net programs, but increased by more than \$709 million in FY11, \$273 million in FY12 but declined by \$95 million in FY13. *The Fiscal Survey of the States* ranked the Commonwealth third in the nation at the end of FY12 (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. Eight states had no stabilization fund balance at the end of FY12. Of the states with over \$10 billion in General Fund expenditures for FY12, the Commonwealth's Stabilization Fund balance as a percentage of General Fund expenditures ranked second in the nation. The FY13 estimates released by NASBO in June 2013, together with the results reported in this SBFR, indicate that Massachusetts's Stabilization Fund balance of \$1.557 billion, or 5.0% of General Fund expenditures, will rank third in the nation in absolute size (behind only Alaska and Texas) and second in the nation as a percentage of expenditures for states with

over \$10 billion in expenditures (behind only Texas). 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 approximately 60% of all stabilization fund balances nationally in FY13), Massachusetts's relative Stabilization Fund balance compared to other states is 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 5.0% of General Fund expenditures was higher than the estimated national median of 2.6% 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 FY13, the Commonwealth maintained 82 non-budgeted funds, while another 20 were inactive.

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

The table Non-Budgeted Funds – Operations on page 11 includes a summary of the FY13 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 \$956 million, with \$79 million transferred to the General Fund, \$8 million to fund various programs and the remaining \$869 million transferred to cities and towns as unrestricted local aid. The FY13 General Appropriation Act mandated a transfer of Unrestricted General Government Aid of no less than \$899 million, with the difference between that amount and Lottery profits coming from the General Fund.



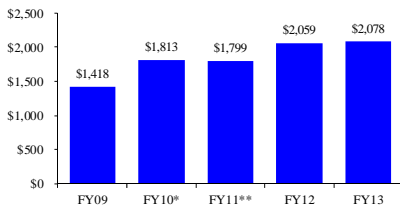
**Non-Budgeted Special Revenue Funds - Operations**  
(Amounts in thousands)

	2012	2013
Beginning fund balance.....	\$ 1,799,478	\$ 2,059,461
Revenues and other financing sources:		
Taxes.....	1,739,826	1,764,078
Assessments.....	526,540	558,172
Federal grants and reimbursements.....	3,534,718	3,227,276
Departmental and miscellaneous.....	5,983,708	6,159,857
Transfers and other financing sources.....	1,602,304	1,825,321
Total revenues and other financing sources.....	<u>13,387,096</u>	<u>13,534,704</u>
Expenditures and other financing uses:		
Programs and services.....	10,941,810	11,445,842
Debt service.....	230,357	233,856
Transfers and other financing uses.....	1,954,946	1,836,268
Total expenditures and other financing uses.....	<u>13,127,113</u>	<u>13,515,966</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	259,983	18,738
Ending fund balance.....	<u>\$ 2,059,461</u>	<u>\$ 2,078,199</u>

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

- \$54 million – Commonwealth Care Trust Fund;
- \$37 million – Convention and Exhibition Center Fund;
- \$35 million – Motor Vehicle Safety Inspection Trust Fund;
- \$33 million – Health Safety Net Trust Fund;
- \$29 million – Infrastructure Development Fund;
- \$17 million – Federal Grants Fund;
- \$16 million – Health Information Technology 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 balances were restated to reflect payments to bond escrow agents related to debt refunding transactions

In FY13, \$161 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, \$27 million in interest payments for the GANs was funded by a General Fund appropriation.

For the eleven Universal Health Care funds, revenues and other financing sources were nearly \$2.237 billion in FY13, an increase of approximately \$284 million from FY12. This increase was due primarily to increased assessments of \$33 million as a result of the Health Care Reform Act, and \$170 million increase in the Medical Assistance Trust Fund transfer.

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

Individual funds that represent 83.1% of total non-budgeted fund balances include:

- \$833 million – Massachusetts Transportation Trust Fund;
- \$386 million – Central Artery/Tunnel Project Repair and Maintenance Trust Fund;
- \$207 million – Grant Anticipation Note Trust Fund;
- \$102 million – Enhanced 911 Fund;
- \$80 million – Convention and Exhibition Center Fund;
- \$69 million – Health Safety Net Trust Fund;
- \$66 million – Federal Grants Fund.

As noted in previous years’ reports, the Government Land Bank Fund has a chronic structural fund deficit. The FY13 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***

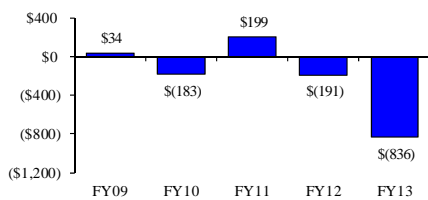
The purpose of these funds is to account for the construction or acquisition of capital assets. The Governor may propose capital outlay budgets, which, upon enactment by the Legislature and approval by the Governor, become capital outlay acts. Capital outlay acts financed through the sale of debt require 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 FY13 capital budget, the Commonwealth borrowed by issuing \$1.470 billion in long-term bonds, all of which was general obligation debt. In addition, the Commonwealth issued \$231 million in debt to refund already existing obligations, taking advantage of continued low interest rates in FY13.

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

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



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

prior to bonds being issued by the Commonwealth. At the end of FY13, the Capital Projects Funds had an \$836 million deficit balance (including \$438 million in accounts payable), as at the end of the fiscal year the Commonwealth had not yet reimbursed itself for capital spending that it typically funds in arrears through subsequent bond issues. Most of this deficit was eliminated in August 2013 when the Commonwealth issued \$600 million in General Obligation bonds.

The Capital Projects Funds – Operations table below includes the FY13 Capital Projects Funds, summarized and compared to FY12. Financial statements for each of the individual funds are included in the financial section of this report.

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

	2012	2013
Beginning fund balance (deficit).....	\$ 199,238	\$ (190,649)
Revenues and other financing sources:		
Federal grants and reimbursements.....	79,732	18,686
Departmental and miscellaneous.....	3,294	2,865
Proceeds of general and special obligation bonds.....	1,921,201	1,511,973
Proceeds of refunding bonds.....	479,564	230,539
Transfer for federal reimbursements.....	481,145	430,022
Transfers and other financing sources.....	153,933	38,619
Total revenues and other financing sources.....	3,118,869	2,232,704
Expenditures and other financing uses:		
Acquisition and maintenance of capital assets.....	2,833,457	2,565,077
Payments to advance refunding escrow agent/principal repayment.....	497,049	229,796
Transfers and other financing uses.....	178,250	83,234
Total expenditures and other financing uses.....	3,508,756	2,878,107
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(389,887)	(645,403)
Ending fund balance (deficit).....	\$ (190,649)	\$ (836,052)

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

During FY13, significant capital spending included:

- \$315 million in bridge repair projects under the Commonwealth’s Accelerated Bridge Program;
- \$207 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 \$52 million in university investments in FY13;

- \$200 million in Chapter 90 municipal road and bridge projects;
- \$54 million spent on Life Science grants;
- \$37 million for open-space land protection;
- \$7 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 \$1.308 billion in bond authorizations. There were no de-authorizations of previously issued capital appropriations in FY13.

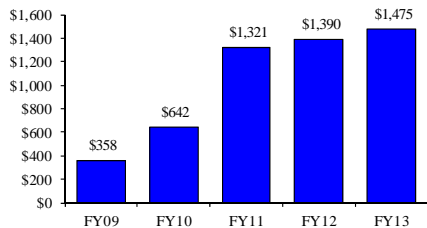
### ***The Non-Appropriated Funds of Higher Education***

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)

	2012	2013
Beginning fund balance.....	\$ 1,321,270	\$ 1,390,239
Revenues and other financing sources:		
Federal grants and reimbursements.....	638,698	609,993
Departmental revenues.....	1,821,568	1,977,642
Transfers and other financing sources.....	1,636,751	1,744,500
Total revenues and other financing sources.....	4,097,017	4,332,135
Expenditures and other financing uses:		
Programs and services.....	4,028,048	4,247,863
Excess/(deficiency) of revenues and other financing sources over expenditures and other financing uses.....	68,969	84,272
Ending fund balance.....	\$ 1,390,239	\$ 1,474,511

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



The Non-Appropriated Funds of Higher Education – Operations table above includes the FY13 activity in Higher Education funds, summarized and compared to FY12. 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 \$843 million fund balance for the University of Massachusetts, an approximate \$353 million fund balance for the State University (formerly the State College) system and an approximate \$279 million fund balance for the Community Colleges.

As we close the books for FY13, I again would like to express my thanks to the many dedicated employees within the Office of the Comptroller. I am proud to have all the employees of the Comptroller’s Office on my team to help tackle these and other difficult issues as we prepare for the year ahead.

Respectfully submitted,

Martin J. Benison  
Comptroller of the Commonwealth

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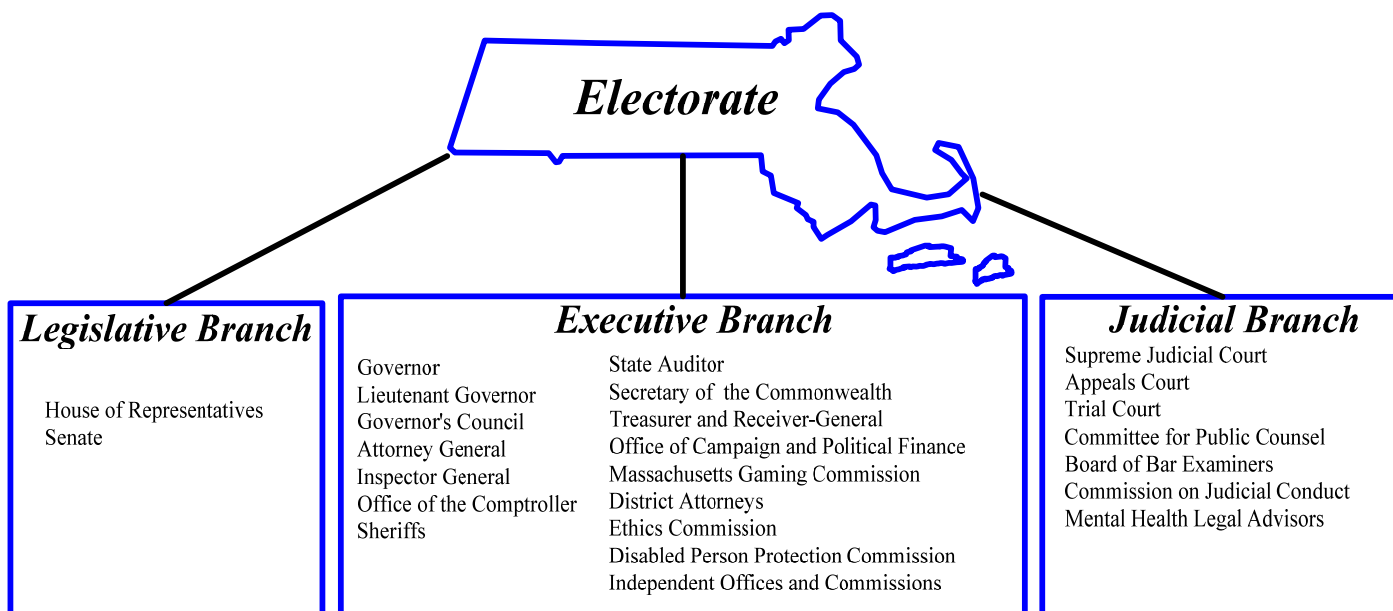
Robert A. DeLeo  
*Speaker of the House*

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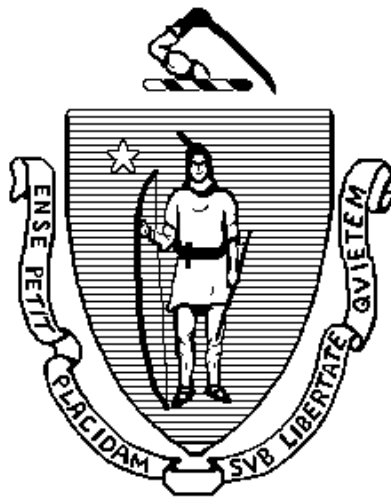
Roderick L. Ireland  
*Chief Justice, Supreme Judicial Court*

Phillip Rapoza  
*Chief Justice, Appeals Court*

Lewis H. Spence  
*Court Administrator, Trial Court*



<b>State Agencies</b>		
<p><b><u>Administration and Finance</u></b>            Executive Office for Administration and Finance            Appellate Tax Board            Bureau of the State House            Civil Service Commission            Department of Revenue            Developmental Disabilities Council            Division of Administrative Law Appeals            Division of Capital Asset Management and Maintenance            George Fingold Library            Group Insurance Commission            Health Policy Commission            Human Resource Division            Information Technology Division            Massachusetts Office on Disability            Massachusetts Teachers' Retirement System            Operational Services Division            Public Employee Retirement Administration Commission</p> <p><b><u>Public Safety</u></b>            Executive Office of Public Safety and Security            Chief Medical Examiner            Department of Criminal Justice Information Services            Department of Correction            Department of Fire Services            Department of Public Safety            Department of State Police            Massachusetts Emergency Management Agency            Military Division/ Massachusetts National Guard            Municipal Police Training Committee            Parole Board            Sex Offender Registry</p>	<p><b><u>Housing and Economic Development</u></b>            Executive Office of Housing and Economic Development            Department of Business Development            Office of Consumer Affairs &amp; Business Regulations            Massachusetts Marketing Partnership            Department of Housing &amp; Community Development            Department of Telecommunications and Cable            Division of Banks            Division of Insurance            Division of Professional Licensure            Division of Standards</p> <p><b><u>Energy and Environmental Affairs</u></b>            Executive Office of Energy and Environmental Affairs            Department of Agricultural Resources            Department of Conservation and Recreation            Department of Environmental Protection            Department of Fish and Game            Department of Public Utilities            Division of Energy Resources            State Reclamation Board</p> <p><b><u>Transportation and Public Works</u></b>            Department of Transportation</p> <p><b><u>Executive Office of Labor and Workforce Development</u></b></p>	<p><b><u>Health and Human Services</u></b>            Executive Office of Health and Human Services            Executive Office of Elder Affairs            Department of Children and Families            Department of Developmental Services            Department of Mental Health            Department of Public Health            Department of Transitional Assistance            Department of Veterans' Services            Department of Youth Services            Massachusetts Commission for the Blind            Massachusetts Commission for the Deaf and Hard of Hearing            Massachusetts Rehabilitation Commission            Office for Refugees and Immigrants            Soldiers' Home, Holyoke            Soldiers' Home, Massachusetts</p> <p><b><u>Education</u></b>            Executive Office of Education            Department of Early Education and Care            Department of Elementary and Secondary Education            Department of Higher Education            Community Colleges            State Universities            University of Massachusetts System</p> <p><b><u>Health Care Security Trust</u></b></p> <p><b><u>Board of Library Commissioners</u></b></p> <p><b><u>Commission Against Discrimination</u></b></p>



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*Gubernatorial Appointee*

**REPORT PREPARED BY:**

Howard Merkowitz  
*Deputy Comptroller*

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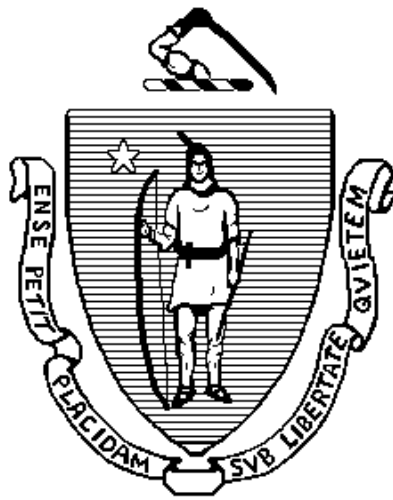
**Accounting Bureau**  
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**Art Direction**  
Scott Olsen

# *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, 2013, 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 on the basis of accounting that demonstrates compliance with Section 12 of Chapter 7A Massachusetts General Laws, as amended and budgetary principles of the Commonwealth of Massachusetts, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

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

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the combined financial statements – statutory basis in order for them to be in conformity with the basis of accounting described in 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, prepared in conformity with the basis of accounting described in note 1, are presented for purposes of additional analysis and is not a required part of the combined financial statements – statutory basis. The combining and individual fund financial statements – statutory basis and supplemental information have been subjected to the inquiry and analytical procedures applied in the review of the combined financial statements – statutory basis, and we did not become aware of any material modifications that should be made to such information. The introductory and statistical sections have not been subjected to the inquiry and analytical procedures applied in the review of the combined



financial statements – statutory basis, but have been compiled from information that is the representation of management, without audit or review and, accordingly, we do not express an opinion or any other form of assurance on such information.

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

KPMG LLP

November 1, 2013

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# *Combined Financial Statements - Statutory Basis*

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

June 30, 2013  
(Amounts in thousands)

	Totals (Memorandum only)	
	2013	2012
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 2,135,842	\$ 1,926,174
Cash with fiscal agent.....	13,932	7,581
Investments.....	258,347	260,058
Receivables, net of allowance for uncollectibles:		
Due from federal government.....	586,074	550,072
Other receivables.....	61,119	17,307
Due from cities and towns.....	9,088	10,915
Total assets.....	\$ 3,064,402	\$ 2,772,107
<b>LIABILITIES AND FUND EQUITY</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 44,867	\$ -
Accounts payable.....	979,276	640,327
Accrued payroll.....	165,902	142,054
Total liabilities.....	1,190,045	782,381
Fund equity:		
Combined fund balance:		
Reserved for:		
Continuing appropriations.....	283,189	162,886
Commonwealth Stabilization.....	1,556,657	1,652,118
Debt service.....	13,932	7,581
Unreserved:		
Undesignated.....	20,579	167,141
Total fund equity.....	1,874,357	1,989,726
Total liabilities fund equity.....	\$ 3,064,402	\$ 2,772,107

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, 2013  
(Amounts in thousands)

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES AND OTHER FINANCING SOURCES</b>			
Revenues:			
Taxes.....	\$ 20,567,800	\$ 20,631,882	\$ 64,082
Assessments.....	-	460,086	460,086
Federal grants and reimbursements.....	8,270,200	8,228,417	(41,783)
Tobacco settlement revenue.....	-	228,148	228,148
Departmental.....	3,367,413	2,781,359	(586,054)
Miscellaneous.....	9,087	217,475	208,388
Total revenues.....	<u>32,214,500</u>	<u>32,547,367</u>	<u>332,867</u>
Other financing sources:			
Fringe benefit cost recovery.....	-	294,675	294,675
Lottery reimbursements.....	106,088	93,517	(12,571)
Lottery distributions.....	920,604	949,428	28,824
Operating transfers in.....	508,908	224,067	(284,841)
Stabilization transfer.....	459,100	1,126,464	667,364
Total other financing sources.....	<u>1,994,700</u>	<u>2,688,151</u>	<u>693,451</u>
Total revenues and other financing sources.....	<u>34,209,200</u>	<u>35,235,518</u>	<u>1,026,318</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>			
Expenditures:			
Legislature.....	66,240	57,254	8,986
Judiciary.....	799,237	790,620	8,617
Inspector General.....	7,007	5,870	1,137
Governor and Lieutenant Governor.....	9,022	5,572	3,450
Secretary of the Commonwealth.....	55,355	43,928	11,427
Treasurer and Receiver-General.....	225,816	192,785	33,031
Auditor of the Commonwealth.....	17,591	17,579	12
Attorney General.....	41,877	40,731	1,146
Ethics Commission.....	1,933	1,904	29
District Attorney.....	105,644	105,110	534
Office of Campaign & Political Finance.....	1,282	1,239	43
Sheriff's Departments.....	541,043	528,489	12,554
Disabled Persons Protection Commission.....	2,294	2,281	13
Board of Library Commissioners.....	21,814	21,775	39
Comptroller.....	12,490	12,038	452
Administration and Finance.....	2,132,341	1,981,484	150,857
Energy and Environmental Affairs.....	213,878	203,062	10,816
Health and Human Services.....	4,969,138	4,848,767	120,371
Massachusetts Department of Transportation.....	160,003	160,000	3
Executive Office of Education.....	1,993,039	1,963,589	29,450
Center for Health Information and Analysis.....	25,030	9,067	15,963
Public Safety and Homeland Security.....	1,038,760	1,002,745	36,015
Housing and Economic Development.....	511,383	460,801	50,582
Labor and Workforce Development.....	70,825	38,902	31,923
Direct local aid.....	5,116,322	5,115,737	585
Medicaid.....	10,871,692	10,799,693	71,999
Post employment benefits.....	1,967,042	1,967,042	-
Debt service:			
Principal retirement.....	1,227,604	1,220,685	6,919
Interest and fiscal charges.....	904,007	896,533	7,474
Total expenditures.....	<u>33,109,709</u>	<u>32,495,282</u>	<u>614,427</u>
Other financing uses:			
Fringe benefit cost assessment.....	2,300	2,460	(160)
Operating transfers out.....	333,668	440,885	(107,217)
State Retiree Benefits transfer.....	-	23,375	(23,375)
State Pension transfer.....	-	23,375	(23,375)
Stabilization transfer.....	464,100	1,126,464	(662,364)
Commonwealth care trust transfer.....	740,272	661,249	79,023
Medical assistance transfer.....	565,007	390,889	174,118
Delivery system transformation initiatives trust transfer.....	186,908	186,908	-
Total other financing uses.....	<u>2,292,255</u>	<u>2,855,605</u>	<u>(563,350)</u>
Total expenditures and other financing uses.....	<u>35,401,964</u>	<u>35,350,887</u>	<u>51,077</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....			
	(1,192,764)	(115,369)	1,077,395
Fund balance (deficit) at beginning of year.....	1,989,726	1,989,726	-
Fund balance (deficit) at end of year.....	<u>\$ 796,962</u>	<u>\$ 1,874,357</u>	<u>\$ 1,077,395</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, 2013

(Amounts in thousands)

	Non-Budgeted Special Revenue	Capital Projects	Totals (Memorandum only)	
			2013	2012
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ 1,764,078	\$ -	\$ 1,764,078	\$ 1,739,826
Assessments.....	558,172	-	558,172	526,540
Federal grants and reimbursements.....	3,227,276	18,686	3,245,962	3,614,450
Departmental.....	6,029,687	2,544	6,032,231	5,847,136
Miscellaneous.....	130,170	321	130,491	139,866
Total revenues.....	<u>11,709,383</u>	<u>21,551</u>	<u>11,730,934</u>	<u>11,867,818</u>
Other financing sources:				
Proceeds of general obligation bonds.....	-	1,470,474	1,470,474	1,340,367
Proceeds of special obligation bonds.....	-	-	-	419,260
Bonds premiums (discounts).....	-	41,499	41,499	161,574
Proceeds of refunding bonds.....	-	230,539	230,539	479,564
Operating transfers in.....	556,275	-	556,275	566,838
Stabilization transfer.....	-	-	-	15,000
Commonwealth care trust transfer.....	661,249	-	661,249	614,910
Health safety net trust transfer.....	30,000	-	30,000	30,000
Medical assistance transfer.....	390,889	-	390,889	220,900
Federal reimbursement transfer in.....	-	430,022	430,022	481,145
State share of federal highway construction.....	-	38,619	38,619	121,681
Delivery system transformation initiatives trust transfer.....	186,908	-	186,908	186,908
Total other financing sources.....	<u>1,825,321</u>	<u>2,211,153</u>	<u>4,036,474</u>	<u>4,638,147</u>
Total revenues and other financing sources.....	<u>13,534,704</u>	<u>2,232,704</u>	<u>15,767,408</u>	<u>16,505,965</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Judiciary.....	1,186	9,785	10,971	22,127
Inspector General.....	101	-	101	298
Governor and Lieutenant Governor.....	103	-	103	98
Secretary of the Commonwealth.....	4,706	1,528	6,234	6,893
Treasurer and Receiver-General.....	5,660,556	13,990	5,674,546	5,659,817
Auditor of the Commonwealth.....	-	988	988	489
Attorney General.....	9,093	471	9,564	10,823
District Attorney.....	2,560	-	2,560	2,336
Sheriff's Departments.....	10,518	3,626	14,144	16,698
Board of Library Commissioners.....	2,966	16,500	19,466	12,674
Massachusetts Gaming Commission.....	13,336	-	13,336	791
Comptroller.....	1,715	674	2,389	2,061
Administration and Finance.....	1,061,235	548,636	1,609,871	683,746
Energy and Environmental Affairs.....	119,700	166,800	286,500	267,615
Health and Human Services.....	1,727,570	28,592	1,756,162	2,368,342
Massachusetts Department of Transportation.....	819,126	1,460,265	2,279,391	2,163,486
Executive Office of Education.....	959,607	28,774	988,381	1,162,706
Public Safety and Homeland Security.....	284,813	36,691	321,504	267,261
Housing and Economic Development.....	507,539	245,689	753,228	764,675
Labor and Workforce Development.....	259,412	2,068	261,480	352,663
Debt service:				
Principal retirement.....	167,340	-	167,340	267,459
Interest and fiscal charges.....	66,516	-	66,516	81,566
Total expenditures.....	<u>11,679,698</u>	<u>2,565,077</u>	<u>14,244,775</u>	<u>14,114,624</u>
Other financing uses:				
Principal on current refundings.....	-	229,796	229,796	388,049
Fringe benefit cost assessment.....	104,799	44,615	149,414	183,875
Lottery operating reimbursements.....	93,517	-	93,517	88,658
Lottery distributions.....	949,428	-	949,428	977,553
Operating transfers out.....	228,502	-	228,502	250,284
Health safety net trust transfer.....	30,000	-	30,000	30,000
Federal reimbursement transfer out.....	430,022	-	430,022	481,145
State share of federal highway construction.....	-	38,619	38,619	121,681
Total other financing uses.....	<u>1,836,268</u>	<u>313,030</u>	<u>2,149,298</u>	<u>2,521,245</u>
Total expenditures and other financing uses.....	<u>13,515,966</u>	<u>2,878,107</u>	<u>16,394,073</u>	<u>16,635,869</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....				
	18,738	(645,403)	(626,665)	(129,904)
Fund balance (deficit) at beginning of year (restated).....	2,059,461	(190,649)	1,868,812	1,998,716
Fund balance (deficit) at end of year.....	<u>\$ 2,078,199</u>	<u>\$ (836,052)</u>	<u>\$ 1,242,147</u>	<u>\$ 1,868,812</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 the budgeted, non-budgeted, special revenue and capital projects funds of the Commonwealth, as recorded by the Office of the Comptroller in compliance with Massachusetts General Laws and in accordance with the Commonwealth's budgetary principles.

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

**B. GOVERNMENTAL FUND TYPES**

The fund types are organized as follows:

Governmental fund types account for the general governmental activities of the Commonwealth.

*Budgeted Funds* – are the primary operating funds of the Commonwealth. They account for all budgeted governmental transactions. Major budgeted funds include the General, Stabilization and Commonwealth Transportation Funds (which succeeded the Highway Fund effective July 1, 2009), which are identified by the Comptroller as the operating funds of the Commonwealth. In addition, there are three smaller budgeted funds, the Massachusetts Tourism Fund, the Inland Fisheries and Game Fund and the Marine Recreational Fisheries Development Fund.

*Non-Budgeted Special Revenue Funds* – are established by law to account for revenue sources that have been segregated from the budgeted funds to support specific governmental activities such as federal grants, 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, primarily through future bond sales.

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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 generally are recognized when cash deposits are received by the Treasury. However, revenues receivable for federal grants and reimbursements generally are recognized when related expenditures are incurred. Amounts due from political subdivisions of the Commonwealth are recognized when considered measurable and available. These are largely payments from municipalities reimbursing for pension costs paid by the Commonwealth on their behalf, for 3(8)C pension payments.

Under the statutory basis of accounting, expenditures are generally recorded when the related cash disbursement occurs. At year-end, payroll is accrued and payables are recognized, to the extent of approved encumbrances, for goods or services received by June 30, and payment made by August 31. Costs incurred under the federally-sponsored Medicaid program, amounts required to settle claims and judgments against the Commonwealth and certain other liabilities are not recognized until they are encumbered or otherwise processed for payment.

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

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

The Commonwealth follows the practice of pooling cash and cash equivalents. Cash equivalents consist of short-term investments with an original maturity of three months or less and are stated at cost. Interest earned on pooled cash is allocated to the General Fund and, when so directed by law, to certain other Governmental Funds.

The Office of the Treasurer and Receiver-General (Treasury) manages the Commonwealth's short-term external mixed investment pool, the Massachusetts Municipal Depository Trust (MMDT). MMDT is comprised of two portfolios, a Cash Portfolio and a Short Term Bond Fund. The Cash Portfolio is a money-market-like investment pool; its investments are carried at amortized cost, which approximates fair value. The Short Term Bond Fund investments are carried at fair value. Following a competitive bid process, on March 4, 2013, portfolio management of the MMDT transitioned from Pyramis Global Advisors (a subsidiary of Fidelity Investments) to Federated Investors, Inc.

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

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

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

All federal government reimbursements for the Commonwealth's highway spending are dedicated to the repayment of federal grant anticipation notes (GANs) issued in fiscal 1998, 1999, 2001, 2011 and refunding notes in FY03 and FY11. All GANs issued prior to 2010 are scheduled to be repaid and retired by FY15. The Commonwealth will begin repayment of principal of the new-money notes issued in 2010 beginning in FY16, after the original and refunded federal grant anticipation notes have been paid in full. As of June 30, 2013, total principal remaining to be paid on outstanding GANs is approximately \$449 million, with maturities ranging from FY14 through FY23. Principal paid during FY13 was approximately \$161 million and came from federal reimbursements. Interest paid in FY13 was funded by the Commonwealth.

The Commonwealth previously issued special obligation bonds for highway construction purposes under the Commonwealth's Accelerated Bridge Program (ABP). These bonds mature from FY14 to FY41 and are secured by a senior lien on 14.1085 cents of the total 21 cents per gallon gasoline tax, the full 21 cents per gallon of special fuels taxes (comprised primarily of taxes on diesel fuel), the full 19.1% of the average price per gallon tax on liquefied natural gas, and all Registry of Motor Vehicle fees deposited in the Commonwealth Transportation Fund. The bonds also have a subordinate lien on 6.86 cents of the 21 cents per gallon gasoline tax not included in the senior lien. As of June 30, 2013, approximately \$989 million in principal was outstanding on the ABP bonds and approximately \$694 million of interest was expected to be paid through maturity. The ABP projected interest costs are net of federal subsidies under the Build America Bond (BABs) program. BABs is a temporary program under which the Commonwealth and other state and local governments issued taxable bonds in calendar 2009 and 2010 in return for a subsidy from the federal government equal to 35% to 45% (depending on whether the proceeds are used for projects in economically distressed areas) of the interest costs on the bonds.

Other special obligation bonds for highway construction purposes are secured by a pledge of 6.86 cents of the 21 cent per gallon gasoline tax, with no new debt issued during FY13. As of June 30 2013, bonds secured by these pledged funds totaled approximately \$296 million of principal and approximately \$74 million in interest. These bonds mature from FY14 to FY23 and were issued in various series. Principal and interest paid during FY13 amounted to approximately \$42 million and \$18 million, respectively. The lien on these bonds has been closed, meaning that no new additional new-money bonds can be issued against these revenues under this trust agreement.

Portions of Commonwealth sales taxes are pledged as security for bonds issued by the Massachusetts Bay Transportation Authority (MBTA) and the Massachusetts School Building Authority (MSBA). The MBTA receives sales tax revenues equal to 1% of applicable sales, subject to an annual floor set in statute. In FY13, total dedicated sales tax revenue that was directed to the MBTA was approximately \$787 million, \$105 million more than would have been the case were the dedicated revenue equal to 1% of applicable sales. As a result, in FY13 the MBTA received from the Commonwealth sales tax revenues effectively equal to 1.15% of applicable sales, and is expected to receive approximately this percentage of applicable sales for the foreseeable future. Dedicated revenues to the MBTA increase by the lesser of the annual increase in the Boston consumer price index or prior calendar year annual sales taxes, with a floor of 0% and a ceiling of 3.0%.

The MSBA also receives a pledge of sales tax that, starting in FY11, increased to 1.0% of applicable sales in the Commonwealth but with no annual floor or ceiling. In FY13, approximately \$682 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, 2013, taxes within the Convention Center districts support approximately \$639 million of outstanding principal and approximately \$457 million of interest on debts related to these Convention Centers. Taxes collected in FY13 were approximately \$99 million, while debt service on the bonds was approximately \$36 million.

The Transportation Modernization Act of 2009, as amended, made pledges of sales tax revenue to MassDOT through the Commonwealth Transportation Fund (CTF). Beginning in FY11, 0.385% of applicable sales and uses on a total sales tax rate of 6.25% was dedicated to funding the operations of MassDOT. The 2009 Act had a floor amount of \$275 million, with a final transfer occurring on or before September 1st of the following fiscal year. During FY13, approximately \$318 million in sales tax revenue was transferred to MassDOT, \$43 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 \$19 million was dedicated to funding the operations of the regional transit authorities. These amounts are transferred through the CTF.

The Legislature enacted additional transportation finance reform, effective July 1, 2013, that included shifting motor vehicle sales tax collections from the General Fund to the CTF and eliminating the 0.385% pledge of regular and meals sales tax.

#### **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 \$7 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 \$294 million into the General Fund results from cost assessments of approximately \$152 million from the other budgeted funds, non-budgeted special revenue funds and capital funds. The remainder of approximately \$142 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, 2012, from which the summarized information was derived.

**N. ESTIMATES**

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

**O. RECLASSIFICATION**

Certain amounts for FY12 were reclassified to conform to current year presentation.

**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 that are mandated by state finance law are not itemized in the appropriation process and are not separately budgeted.

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

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

The FY04 General Appropriation Act (Chapter 26, Section 167 of the Acts of 2003), amended section 9C, of chapter 29, directing the Governor to notify the Legislature in writing as to the reasons for and the effect of any reductions in spending.



This proposal must be delivered to the Legislature 15 days before any reductions take effect. Alternatively, funds from the Stabilization Fund may be used to cure the deficiency.

The following table summarizes budgetary activity for FY13 (amounts in thousands):

	Revenues	Expenditures
General Appropriation Act, Chapter 139 of the Acts of 2012:		
Direct appropriations .....	\$ 32,190,800	\$ 32,001,909
Estimated revenues, transfers, retained revenue appropriations, and appropriations carried forward from FY2012.....	-	1,131,291
Total original budget.....	32,190,800	33,133,200
Supplemental Acts of 2012:		
Chapter 239.....	-	176,282
Supplemental Acts of 2013:		
Chapter 3.....	-	83,179
Chapter 5.....	-	6,500
Chapter 36.....	-	131,882
Chapter 46.....	-	100
Chapter 118.....	-	42,576
Less: Governor's Actions with regard to Chapter 29, Section 9C....	-	(201,979)
Total budgeted revenues and expenditures per Legislative action.....	-	238,540
Plus: Pension contributions and revenue authorized outside of General Appropriations Act, and other transfers of revenue and spending.....	2,018,400	2,030,224
Budgeted revenues and expenditures as reported.....	\$ 34,209,200	\$ 35,401,964

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.....	\$35,235,518	\$35,350,887
Adjustments to revenues and expenditures		
Transfer of revenues to the Intragovernmental Service Fund.....	(316,540)	(316,540)
Adjustments to other financing sources and uses:		
Fringe benefit cost assessments.....	(2,460)	(2,460)
Transfer of expenditures from the Intragovernmental Service Fund to the General Fund....	(7,915)	(7,915)
RMV license plates.....	(3,011)	(3,011)
Transfers from the General Fund to the Stabilization Fund.....	(499,998)	(499,998)
Transfers from the Stabilization Fund to the General Fund.....	(555,322)	(555,322)
Transfer to fund the General Fund consolidated net surplus calculation.....	(71,143)	(71,143)
Other.....	(171)	(171)
Actual as presented on budgetary documents.....	\$33,778,958	\$33,894,327

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

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

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

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

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

**5. INDIVIDUAL FUND DEFICITS**

The following Non-Budgeted Special Revenue and Capital Projects Funds are included in the combined totals and have individual fund deficits at June 30, 2013, as follows (amounts in thousands) (excludes MassDOT):

Non-Budgeted Special Revenue:	
Other:	
Government Land Bank Fund.....	\$ (35,033)
Capital Projects:	
Highway Capital Projects Fund.....	(466,861)
General Capital Projects Fund.....	(417,392)
Government Land Bank Capital Projects Fund.....	(414)
Local Aid Capital Projects Fund.....	(327)
Capital improvement and Investment Trust Fund.....	(154)
	<u>                    </u>
Total Capital Projects Funds.....	(885,148)
	<u>                    </u>
Total.....	\$ (920,181)
	<u>                    </u>

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

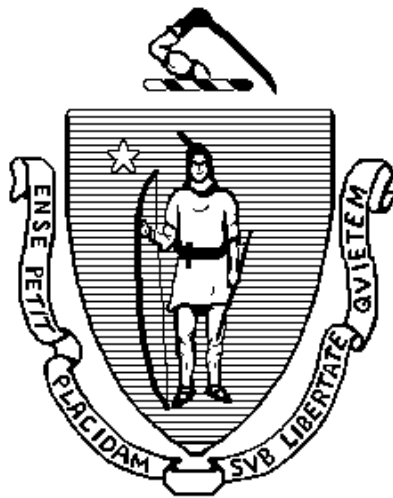
**6. MEDICAID COSTS**

Approximately 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, 2013, the General Fund includes approximately \$10.800 billion in expenditures for Medicaid claims. The combined financial statements – statutory basis include Medicaid claims processed but unpaid at June 30, 2013 of approximately \$17 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 revenues from motor fuels taxes and all fees and fines received by the Registry of Motor Vehicles relating to the use and operation of motor vehicles and trailers. Spending is for debt service on general and special obligation debt formerly paid from the Highway Fund, as well as for amounts, subject to appropriation, to fund the programs and services of the Massachusetts Department of Transportation. This fund also includes activity of the Infrastructure Fund, which was a subfund of the Highway Fund.

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

## **ADMINISTRATIVE CONTROL FUND:**

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

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

## **BUDGETED ENVIRONMENTAL FUNDS:**

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

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

## **OTHER BUDGETED FUND:**

This fund accounts for a variety of miscellaneous taxes, fees, fines and other revenues, which are restricted to the financing of specific Commonwealth programs.

*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 FY13 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.

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

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

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

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

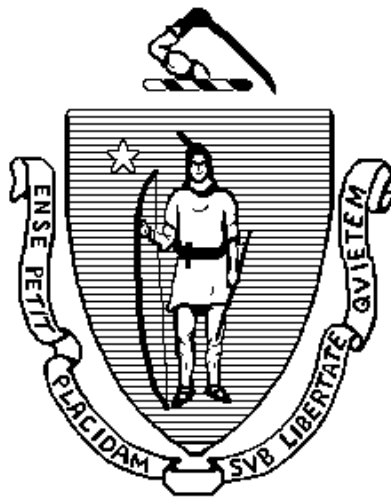
**Manufacturing Fund** – to account for gaming license fees transferred in accordance with Section 93 of Chapter 194 of the Acts of 2011 and any monies credited or transferred to the fund from any other fund or source.

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

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

**Temporary Holding Fund** – to account for cumulative tax revenues during the fiscal year in excess of permissible tax revenues as defined in Chapter 62F, Section 6A of the General Laws. The fund balance in the fund closes annually to the Stabilization Fund to the extent of expenditures from that fund. Any remaining balance transfers to the General Fund. This fund was repealed effective January 1, 2013.

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



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

June 30, 2013  
(Amounts in thousands)

ASSETS	General	Commonwealth Transportation	Commonwealth Stabilization
Cash and short-term investments.....	\$ 774,717	\$ -	\$ 1,298,310
Cash with fiscal agent.....	-	13,932	-
Investments.....	-	-	258,347
Receivables, net of allowance for uncollectibles:			
Due from federal government.....	586,074	-	-
Other receivables.....	15,607	45,512	-
Due from cities and towns.....	9,088	-	-
Total assets.....	<u>\$ 1,385,486</u>	<u>\$ 59,444</u>	<u>\$ 1,556,657</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Deficiency in cash and short-term investments.....	\$ -	\$ 44,867	\$ -
Accounts payable.....	951,066	545	-
Accrued payroll.....	161,190	-	-
Total liabilities.....	<u>1,112,256</u>	<u>45,412</u>	<u>-</u>
Fund balance:			
Reserved for:			
Continuing appropriations.....	273,230	100	-
Commonwealth Stabilization.....	-	-	1,556,657
Debt service.....	-	13,932	-
Unreserved:			
Undesignated.....	-	-	-
Total fund equity.....	<u>273,230</u>	<u>14,032</u>	<u>1,556,657</u>
Total liabilities and fund equity.....	<u>\$ 1,385,486</u>	<u>\$ 59,444</u>	<u>\$ 1,556,657</u>

See accountants' review report



Administrative Control	Environmental			Budgeted Other	Totals (Memorandum only)	
	Inland Fisheries and Game	Marine Recreational Fisheries Development	Massachusetts Tourism		2013	2012
Intragovernmental Service						
\$ 40,234	\$ 19,524	\$ 2,096	\$ 961	\$ 2,135,842	\$ 1,926,174	
-	-	-	-	13,932	7,581	
-	-	-	-	258,347	260,058	
-	-	-	-	586,074	550,072	
-	-	-	-	61,119	17,307	
-	-	-	-	9,088	10,915	
<u>\$ 40,234</u>	<u>\$ 19,524</u>	<u>\$ 2,096</u>	<u>\$ 961</u>	<u>\$ 3,064,402</u>	<u>\$ 2,772,107</u>	
\$ -	\$ -	\$ -	\$ -	\$ 44,867	\$ -	
26,109	617	107	832	979,276	640,327	
4,342	304	13	53	165,902	142,054	
<u>30,451</u>	<u>921</u>	<u>120</u>	<u>885</u>	<u>1,190,045</u>	<u>782,381</u>	
9,783	-	-	76	283,189	162,886	
-	-	-	-	1,556,657	1,652,118	
-	-	-	-	13,932	7,581	
-	18,603	1,976	-	20,579	167,141	
<u>9,783</u>	<u>18,603</u>	<u>1,976</u>	<u>76</u>	<u>1,874,357</u>	<u>1,989,726</u>	
<u>\$ 40,234</u>	<u>\$ 19,524</u>	<u>\$ 2,096</u>	<u>\$ 961</u>	<u>\$ 3,064,402</u>	<u>\$ 2,772,107</u>	

**Budgeted Funds**

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

Fiscal Year Ended June 30, 2013  
(Amounts in thousands)

	General	Commonwealth Transportation	Commonwealth Stabilization	Administrative Control Intragovernmental Service
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ 19,615,891	\$ 968,615	\$ 1,291	\$ -
Assessments.....	438,295	21,791	-	-
Federal grants and reimbursements.....	8,221,900	-	-	-
Tobacco settlement revenue.....	228,148	-	-	-
Departmental.....	1,886,898	557,684	-	328,654
Miscellaneous.....	211,446	666	5,322	-
Total revenues.....	<u>30,602,578</u>	<u>1,548,756</u>	<u>6,613</u>	<u>328,654</u>
Other financing sources:				
Fringe benefit cost recovery.....	294,675	-	-	-
Lottery reimbursements.....	93,517	-	-	-
Lottery distributions.....	949,428	-	-	-
Operating transfers in.....	212,118	11,779	-	-
Stabilization transfer.....	626,466	-	499,998	-
Total other financing sources.....	<u>2,176,204</u>	<u>11,779</u>	<u>499,998</u>	<u>-</u>
Total revenues and other financing sources.....	<u>32,778,782</u>	<u>1,560,535</u>	<u>506,611</u>	<u>328,654</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Legislature.....	57,254	-	-	-
Judiciary.....	790,620	-	-	-
Inspector General.....	5,870	-	-	-
Governor and Lieutenant Governor.....	5,555	-	-	-
Secretary of the Commonwealth.....	43,815	-	-	113
Treasurer and Receiver-General.....	192,785	-	-	-
Auditor of the Commonwealth.....	17,579	-	-	-
Attorney General.....	40,731	-	-	-
Ethics Commission.....	1,904	-	-	-
District Attorney.....	105,110	-	-	-
Office of Campaign & Political Finance.....	1,239	-	-	-
Sheriff's Departments.....	528,489	-	-	-
Disabled Persons Protection Commission.....	2,281	-	-	-
Board of Library Commissioners.....	21,775	-	-	-
Comptroller.....	8,116	-	-	3,922
Administration and Finance.....	1,791,545	-	-	189,939
Energy and Environmental Affairs.....	188,527	-	-	1,259
Health and Human Services.....	4,768,918	-	-	79,849
Massachusetts Department of Transportation.....	-	160,000	-	-
Executive Office of Education.....	1,963,499	-	-	90
Center for Health Information and Analysis.....	9,067	-	-	-
Public Safety and Homeland Security.....	959,953	-	-	42,792
Housing and Economic Development.....	442,689	-	-	1,147
Labor and Workforce Development.....	38,902	-	-	-
Direct local aid.....	5,115,737	-	-	-
Medicaid.....	10,799,693	-	-	-
Post employment benefits.....	1,967,042	-	-	-
Debt service:				
Principal retirement.....	668,923	551,762	-	-
Interest and fiscal charges.....	432,648	463,885	-	-
Total expenditures.....	<u>30,970,266</u>	<u>1,175,647</u>	<u>-</u>	<u>319,111</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	-	-	-
Operating transfers out.....	97,891	335,079	-	7,915
State Retiree Benefits transfer.....	-	-	23,375	-
State Pension transfer.....	-	-	23,375	-
Stabilization transfer.....	499,998	43,358	555,322	-
Commonwealth care transfer.....	661,249	-	-	-
Medical assistance transfer.....	390,889	-	-	-
Delivery system transformation initiatives trust transfer.....	186,908	-	-	-
Total other financing uses.....	<u>1,836,935</u>	<u>378,437</u>	<u>602,072</u>	<u>7,915</u>
Total expenditures and other financing uses.....	<u>32,807,201</u>	<u>1,554,084</u>	<u>602,072</u>	<u>327,026</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	(28,419)	6,451	(95,461)	1,628
Fund balance (deficit) at beginning of year.....	301,649	7,581	1,652,118	8,155
Fund balance (deficit) at end of year.....	<u>\$ 273,230</u>	<u>\$ 14,032</u>	<u>\$ 1,556,657</u>	<u>\$ 9,783</u>

See accountants' review report

Environmental		Budgeted	Totals	
Marine Recreational		Other	(Memorandum only)	
Inland Fisheries and Game	Fisheries Development	Massachusetts Tourism	2013	2012
\$ 857	\$ -	\$ 45,228	\$ 20,631,882	\$ 19,643,721
-	-	-	460,086	459,911
6,517	-	-	8,228,417	7,971,705
-	-	-	228,148	253,628
6,893	1,230	-	2,781,359	2,511,978
41	-	-	217,475	245,293
<u>14,308</u>	<u>1,230</u>	<u>45,228</u>	<u>32,547,367</u>	<u>31,086,236</u>
-	-	-	294,675	369,083
-	-	-	93,517	88,658
-	-	-	949,428	977,553
170	-	-	224,067	350,221
-	-	-	1,126,464	707,102
<u>170</u>	<u>-</u>	<u>-</u>	<u>2,688,151</u>	<u>2,492,617</u>
<u>14,478</u>	<u>1,230</u>	<u>45,228</u>	<u>35,235,518</u>	<u>33,578,853</u>
-	-	-	57,254	58,337
-	-	-	790,620	757,507
-	-	-	5,870	2,818
-	-	17	5,572	6,543
-	-	-	43,928	35,996
-	-	-	192,785	187,115
-	-	-	17,579	17,052
-	-	-	40,731	42,624
-	-	-	1,904	1,729
-	-	-	105,110	99,031
-	-	-	1,239	1,196
-	-	-	528,489	515,153
-	-	-	2,281	2,210
-	-	-	21,775	21,441
-	-	-	12,038	11,512
-	-	-	1,981,484	1,882,078
12,544	732	-	203,062	188,058
-	-	-	4,848,767	4,793,301
-	-	-	160,000	160,000
-	-	-	1,963,589	1,867,271
-	-	-	9,067	-
-	-	-	1,002,745	968,625
-	-	16,965	460,801	437,598
-	-	-	38,902	37,832
-	-	-	5,115,737	4,929,489
-	-	-	10,799,693	10,431,108
-	-	-	1,967,042	1,892,326
-	-	-	1,220,685	1,043,636
-	-	-	896,533	879,518
<u>12,544</u>	<u>732</u>	<u>16,982</u>	<u>32,495,282</u>	<u>31,271,104</u>
1,995	81	384	2,460	2,663
-	-	-	440,885	471,359
-	-	-	23,375	-
-	-	-	23,375	-
-	-	27,786	1,126,464	722,102
-	-	-	661,249	614,910
-	-	-	390,889	220,900
-	-	-	186,908	186,908
<u>1,995</u>	<u>81</u>	<u>28,170</u>	<u>2,855,605</u>	<u>2,218,842</u>
<u>14,539</u>	<u>813</u>	<u>45,152</u>	<u>35,350,887</u>	<u>33,489,946</u>
(61)	417	76	(115,369)	88,907
18,664	1,559	-	1,989,726	1,900,819
<u>\$ 18,603</u>	<u>\$ 1,976</u>	<u>\$ 76</u>	<u>\$ 1,874,357</u>	<u>\$ 1,989,726</u>

## Budgeted Funds

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

Fiscal Year Ended June 30, 2013

(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.....	\$ 19,523,900	\$ 19,615,891	\$ 91,991	\$ 998,300	\$ 968,615	\$ (29,685)
Assessments.....	-	438,295	438,295	-	21,791	21,791
Federal grants and reimbursements.....	8,264,700	8,221,900	(42,800)	-	-	-
Tobacco settlement revenue.....	-	228,148	228,148	-	-	-
Departmental.....	2,823,800	1,886,898	(936,902)	535,900	557,684	21,784
Miscellaneous.....	-	211,446	211,446	-	666	666
Total revenues.....	<u>30,612,400</u>	<u>30,602,578</u>	<u>(9,822)</u>	<u>1,534,200</u>	<u>1,548,756</u>	<u>14,556</u>
Other financing sources:						
Fringe benefit cost recovery.....	-	294,675	294,675	-	-	-
Lottery reimbursements.....	106,088	93,517	(12,571)	-	-	-
Lottery distributions.....	920,604	949,428	28,824	-	-	-
Operating transfers in.....	508,808	212,118	(296,690)	-	11,779	11,779
Stabilization transfer.....	359,100	626,466	267,366	-	-	-
Total other financing sources.....	<u>1,894,600</u>	<u>2,176,204</u>	<u>281,604</u>	<u>-</u>	<u>11,779</u>	<u>11,779</u>
Total revenues and other financing sources.....	<u>32,507,000</u>	<u>32,778,782</u>	<u>271,782</u>	<u>1,534,200</u>	<u>1,560,535</u>	<u>26,335</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>						
Expenditures:						
Legislature.....	66,240	57,254	8,986	-	-	-
Judiciary.....	799,237	790,620	8,617	-	-	-
Inspector General.....	7,007	5,870	1,137	-	-	-
Governor and Lieutenant Governor.....	9,005	5,555	3,450	-	-	-
Secretary of the Commonwealth.....	55,239	43,815	11,424	-	-	-
Treasurer and Receiver-General.....	219,598	192,785	26,813	-	-	-
Auditor of the Commonwealth.....	17,591	17,579	12	-	-	-
Attorney General.....	41,877	40,731	1,146	-	-	-
Ethics Commission.....	1,933	1,904	29	-	-	-
District Attorney.....	105,644	105,110	534	-	-	-
Office of Campaign and Political Finance.....	1,282	1,239	43	-	-	-
Sheriff's Departments.....	541,043	528,489	12,554	-	-	-
Disabled Persons Protection Commission.....	2,294	2,281	13	-	-	-
Board of Library Commissioners.....	21,814	21,775	39	-	-	-
Comptroller.....	8,116	8,116	-	-	-	-
Administration and Finance.....	1,858,705	1,791,545	67,160	1,129	-	1,129
Energy and Environmental Affairs.....	198,779	188,527	10,252	-	-	-
Health and Human Services.....	4,851,794	4,768,918	82,876	-	-	-
Massachusetts Department of Transportation.....	-	-	-	160,000	160,000	-
Executive Office of Education.....	1,991,202	1,963,499	27,703	-	-	-
Center for Health Information and Analysis.....	25,030	9,067	15,963	-	-	-
Public Safety and Homeland Security.....	985,189	959,953	25,236	-	-	-
Housing and Economic Development.....	491,884	442,689	49,195	-	-	-
Labor and Workforce Development.....	51,784	38,902	12,882	-	-	-
Direct local aid.....	5,116,322	5,115,737	585	-	-	-
Medicaid.....	10,871,692	10,799,693	71,999	-	-	-
Post employment benefits.....	1,967,042	1,967,042	-	-	-	-
Debt service:						
Principal retirement.....	672,074	668,923	3,151	555,530	551,762	3,768
Interest and fiscal charges.....	423,049	432,648	(9,599)	480,958	463,885	17,073
Total expenditures.....	<u>31,402,466</u>	<u>30,970,266</u>	<u>432,200</u>	<u>1,197,617</u>	<u>1,175,647</u>	<u>21,970</u>
Other financing uses:						
Fringe benefit cost assessment.....	-	-	-	-	-	-
Operating transfers out.....	1,500	97,891	(96,391)	332,168	335,079	(2,911)
State Retiree Benefits transfer.....	-	-	-	-	-	-
State Pension transfer.....	-	-	-	-	-	-
Stabilization transfer.....	100,000	499,998	(399,998)	-	43,358	(43,358)
Commonwealth care transfer.....	740,272	661,249	79,023	-	-	-
Medical assistance transfer.....	565,007	390,889	174,118	-	-	-
Delivery system transformation initiatives trust transfer.....	186,908	186,908	-	-	-	-
Total other financing uses.....	<u>1,593,687</u>	<u>1,836,935</u>	<u>(243,248)</u>	<u>332,168</u>	<u>378,437</u>	<u>(46,269)</u>
Total expenditures and other financing uses.....	<u>32,996,153</u>	<u>32,807,201</u>	<u>188,952</u>	<u>1,529,785</u>	<u>1,554,084</u>	<u>(24,299)</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	(489,153)	(28,419)	460,734	4,415	6,451	2,036
Fund balances (deficit) at beginning of year.....	301,649	301,649	-	7,581	7,581	-
Fund balances (deficit) at end of year.....	<u>\$ (187,504)</u>	<u>\$ 273,230</u>	<u>\$ 460,734</u>	<u>\$ 11,996</u>	<u>\$ 14,032</u>	<u>\$ 2,036</u>

See accountants' review report

Commonwealth Stabilizator			Administrative Control		
			Intragovernmental Service		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ 1,291	\$ 1,291	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	328,654	328,654
9,087	5,322	(3,765)	-	-	-
9,087	6,613	(2,474)	-	328,654	328,654
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
100,000	499,998	399,998	-	-	-
100,000	499,998	399,998	-	-	-
109,087	506,611	397,524	-	328,654	328,654
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	116	113	3
-	-	-	6,218	-	6,218
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	4,374	3,922	452
-	-	-	272,507	189,939	82,568
-	-	-	1,291	1,259	32
-	-	-	117,344	79,849	37,495
-	-	-	-	-	-
-	-	-	1,837	90	1,747
-	-	-	-	-	-
-	-	-	53,571	42,792	10,779
-	-	-	2,462	1,147	1,315
-	-	-	19,041	-	19,041
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	478,761	319,111	159,650
-	-	-	-	-	-
-	-	-	-	7,915	(7,915)
-	23,375	(23,375)	-	-	-
-	23,375	(23,375)	-	-	-
364,100	555,322	(191,222)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
364,100	602,072	(237,972)	-	7,915	(7,915)
364,100	602,072	(237,972)	478,761	327,026	151,735
(255,013)	(95,461)	159,552	(478,761)	1,628	480,389
1,652,118	1,652,118	-	8,155	8,155	-
\$ 1,397,105	\$ 1,556,657	\$ 159,552	\$ (470,606)	\$ 9,783	\$ 480,389

continued

## Budgeted Funds

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

Fiscal Year Ended June 30, 2013

(Amounts in thousands)

	Environmental					
	Inland Fisheries and Game			Marine Recreational Fisheries Developmen		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES AND OTHER FINANCING SOURCES</b>						
Revenues:						
Taxes.....	\$ 900	\$ 857	\$ (43)	\$ -	\$ -	\$ -
Assessments.....	-	-	-	-	-	-
Federal grants and reimbursements.....	5,500	6,517	1,017	-	-	-
Tobacco settlement revenue.....	-	-	-	-	-	-
Departmental.....	6,665	6,893	228	1,048	1,230	182
Miscellaneous.....	-	41	41	-	-	-
Total revenues.....	<u>13,065</u>	<u>14,308</u>	<u>1,243</u>	<u>1,048</u>	<u>1,230</u>	<u>182</u>
Other financing sources:						
Fringe benefit cost recovery.....	-	-	-	-	-	-
Lottery reimbursements.....	-	-	-	-	-	-
Lottery distributions.....	-	-	-	-	-	-
Operating transfers in.....	100	170	70	-	-	-
Stabilization transfer.....	-	-	-	-	-	-
Total other financing sources.....	<u>100</u>	<u>170</u>	<u>70</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>13,165</u>	<u>14,478</u>	<u>1,313</u>	<u>1,048</u>	<u>1,230</u>	<u>182</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.....	13,041	12,544	497	767	732	35
Health and Human Services.....	-	-	-	-	-	-
Massachusetts Department of Transportation.....	-	-	-	-	-	-
Executive Office of Education.....	-	-	-	-	-	-
Center for Health Information and Analysis.....	-	-	-	-	-	-
Public Safety and Homeland Security.....	-	-	-	-	-	-
Housing and Economic Development.....	-	-	-	-	-	-
Labor and Workforce Development.....	-	-	-	-	-	-
Direct local aid.....	-	-	-	-	-	-
Medicaid.....	-	-	-	-	-	-
Post employment benefits.....	-	-	-	-	-	-
Debt service:						
Principal retirement.....	-	-	-	-	-	-
Interest and fiscal charges.....	-	-	-	-	-	-
Total expenditures.....	<u>13,041</u>	<u>12,544</u>	<u>497</u>	<u>767</u>	<u>732</u>	<u>35</u>
Other financing uses:						
Fringe benefit cost assessment.....	1,900	1,995	(95)	-	81	(81)
Operating transfers out.....	-	-	-	-	-	-
State Retiree Benefits transfer.....	-	-	-	-	-	-
State Pension transfer.....	-	-	-	-	-	-
Stabilization transfer.....	-	-	-	-	-	-
Commonwealth care transfer.....	-	-	-	-	-	-
Medical assistance transfer.....	-	-	-	-	-	-
Delivery system transformation initiatives trust transfer.....	-	-	-	-	-	-
Total other financing uses.....	<u>1,900</u>	<u>1,995</u>	<u>(95)</u>	<u>-</u>	<u>81</u>	<u>(81)</u>
Total expenditures and other financing uses.....	<u>14,941</u>	<u>14,539</u>	<u>402</u>	<u>767</u>	<u>813</u>	<u>(46)</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	(1,776)	(61)	1,715	281	417	136
Fund balances (deficit) at beginning of year.....	18,664	18,664	-	1,559	1,559	-
Fund balances (deficit) at end of year.....	<u>\$ 16,888</u>	<u>\$ 18,603</u>	<u>\$ 1,715</u>	<u>\$ 1,840</u>	<u>\$ 1,976</u>	<u>\$ 136</u>

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Budgeted Other Massachusetts Tourism			Totals (Memorandum only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 44,700	\$ 45,228	\$ 528	\$ 20,567,800	\$ 20,631,882	\$ 64,082
-	-	-	-	460,086	460,086
-	-	-	8,270,200	8,228,417	(41,783)
-	-	-	-	228,148	228,148
-	-	-	3,367,413	2,781,359	(586,054)
-	-	-	9,087	217,475	208,388
<u>44,700</u>	<u>45,228</u>	<u>528</u>	<u>32,214,500</u>	<u>32,547,367</u>	<u>332,867</u>
-	-	-	-	294,675	294,675
-	-	-	106,088	93,517	(12,571)
-	-	-	920,604	949,428	28,824
-	-	-	508,908	224,067	(284,841)
-	-	-	459,100	1,126,464	667,364
-	-	-	1,994,700	2,688,151	693,451
<u>44,700</u>	<u>45,228</u>	<u>528</u>	<u>34,209,200</u>	<u>35,235,518</u>	<u>1,026,318</u>
-	-	-	66,240	57,254	8,986
-	-	-	799,237	790,620	8,617
-	-	-	7,007	5,870	1,137
17	17	-	9,022	5,572	3,450
-	-	-	55,355	43,928	11,427
-	-	-	225,816	192,785	33,031
-	-	-	17,591	17,579	12
-	-	-	41,877	40,731	1,146
-	-	-	1,933	1,904	29
-	-	-	105,644	105,110	534
-	-	-	1,282	1,239	43
-	-	-	541,043	528,489	12,554
-	-	-	2,294	2,281	13
-	-	-	21,814	21,775	39
-	-	-	12,490	12,038	452
-	-	-	2,132,341	1,981,484	150,857
-	-	-	213,878	203,062	10,816
-	-	-	4,969,138	4,848,767	120,371
3	-	3	160,003	160,000	3
-	-	-	1,993,039	1,963,589	29,450
-	-	-	25,030	9,067	15,963
-	-	-	1,038,760	1,002,745	36,015
17,037	16,965	72	511,383	460,801	50,582
-	-	-	70,825	38,902	31,923
-	-	-	5,116,322	5,115,737	585
-	-	-	10,871,692	10,799,693	71,999
-	-	-	1,967,042	1,967,042	-
-	-	-	1,227,604	1,220,685	6,919
-	-	-	904,007	896,533	7,474
<u>17,037</u>	<u>16,982</u>	<u>75</u>	<u>33,109,709</u>	<u>32,495,282</u>	<u>614,427</u>
400	384	16	2,300	2,460	(160)
-	-	-	333,668	440,885	(107,217)
-	-	-	-	23,375	(23,375)
-	-	-	-	23,375	(23,375)
-	27,786	(27,786)	464,100	1,126,464	(662,364)
-	-	-	740,272	661,249	79,023
-	-	-	565,007	390,889	174,118
-	-	-	186,908	186,908	-
<u>400</u>	<u>28,170</u>	<u>(27,770)</u>	<u>2,292,255</u>	<u>2,855,605</u>	<u>(563,350)</u>
<u>17,457</u>	<u>45,152</u>	<u>(27,695)</u>	<u>35,401,964</u>	<u>35,350,887</u>	<u>51,077</u>
27,243	76	(27,167)	(1,192,764)	(115,369)	1,077,395
-	-	-	1,989,726	1,989,726	-
<u>\$ 27,243</u>	<u>\$ 76</u>	<u>\$ (27,167)</u>	<u>\$ 796,962</u>	<u>\$ 1,874,357</u>	<u>\$ 1,077,395</u>

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

June 30, 2013  
(Amounts in thousands)

	2013	2012
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 774,717	\$ 478,176
Receivables, net of allowance for uncollectibles:		
Due from federal government.....	586,074	550,072
Other receivables.....	15,607	17,307
Due from cities and towns.....	9,088	10,915
Total assets.....	\$ 1,385,486	\$ 1,056,470
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 951,066	\$ 616,625
Accrued payroll.....	161,190	138,196
Total liabilities.....	1,112,256	754,821
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	273,230	154,731
Unreserved fund balance:		
Undesignated.....	-	146,918
Total fund balance.....	273,230	301,649
Total liabilities and fund balance.....	\$ 1,385,486	\$ 1,056,470

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

Fiscal Year Ended June 30, 2013  
(Amounts in thousands)

	2013 Budget	2013 Actual	Variance Favorable (Unfavorable)	2012 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ 19,523,900	\$ 19,615,891	\$ 91,991	\$ 18,626,161
Assessments.....	-	438,295	438,295	438,400
Federal grants and reimbursements.....	8,264,700	8,221,900	(42,800)	7,966,393
Tobacco settlement revenue.....	-	228,148	228,148	253,628
Departmental.....	2,823,800	1,886,898	(936,902)	1,697,875
Miscellaneous.....	-	211,446	211,446	234,486
Total revenues.....	<u>30,612,400</u>	<u>30,602,578</u>	<u>(9,822)</u>	<u>29,216,943</u>
Other financing sources:				
Fringe benefit cost recovery.....	-	294,675	294,675	369,083
Lottery reimbursements.....	106,088	93,517	(12,571)	88,658
Lottery distributions.....	920,604	949,428	28,824	977,553
Operating transfers in.....	508,808	212,118	(296,690)	337,103
Stabilization transfer.....	359,100	626,466	267,366	215,408
Total other financing sources.....	<u>1,894,600</u>	<u>2,176,204</u>	<u>281,604</u>	<u>1,987,805</u>
Total revenues and other financing sources.....	<u>32,507,000</u>	<u>32,778,782</u>	<u>271,782</u>	<u>31,204,748</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Legislature.....	66,240	57,254	8,986	58,337
Judiciary.....	799,237	790,620	8,617	757,507
Inspector General.....	7,007	5,870	1,137	2,818
Governor and Lieutenant Governor.....	9,005	5,555	3,450	6,466
Secretary of the Commonwealth.....	55,239	43,815	11,424	35,880
Treasurer and Receiver-General.....	219,598	192,785	26,813	187,115
Auditor of the Commonwealth.....	17,591	17,579	12	17,052
Attorney General.....	41,877	40,731	1,146	42,624
Ethics Commission.....	1,933	1,904	29	1,729
District Attorney.....	105,644	105,110	534	99,031
Office of Campaign and Political Finance.....	1,282	1,239	43	1,196
Sheriff's Departments.....	541,043	528,489	12,554	515,153
Disabled Persons Protection Commission.....	2,294	2,281	13	2,210
Board of Library Commissioners.....	21,814	21,775	39	21,441
Comptroller.....	8,116	8,116	-	7,867

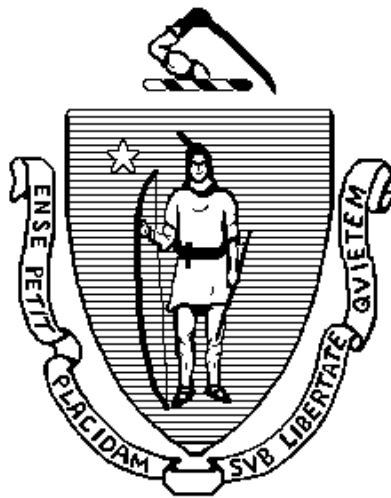
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**General Fund**  
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2013  
(Amounts in thousands)

	2013 Budget	2013 Actual	Variance Favorable (Unfavorable)	2012 Actual
Expenditures (continued):				
Administration and Finance.....	1,858,705	1,791,545	67,160	1,702,381
Energy and Environmental Affairs.....	198,779	188,527	10,252	175,432
Health and Human Services.....	4,851,794	4,768,918	82,876	4,710,533
Executive Office of Education.....	1,991,202	1,963,499	27,703	1,867,271
Center for Health Information and Analysis.....	25,030	9,067	15,963	-
Public Safety and Homeland Security.....	985,189	959,953	25,236	929,682
Housing and Economic Development.....	491,884	442,689	49,195	425,066
Labor and Workforce Development.....	51,784	38,902	12,882	37,832
Direct local aid.....	5,116,322	5,115,737	585	4,929,489
Medicaid.....	10,871,692	10,799,693	71,999	10,431,108
Post employment benefits.....	1,967,042	1,967,042	-	1,892,326
Debt service:				
Principal retirement.....	672,074	668,923	3,151	583,991
Interest and fiscal charges.....	423,049	432,648	(9,599)	436,232
Total expenditures.....	<u>31,402,466</u>	<u>30,970,266</u>	<u>432,200</u>	<u>29,877,769</u>
Other financing uses:				
Operating transfers out.....	1,500	97,891	(96,391)	78,488
Stabilization transfer.....	100,000	499,998	(399,998)	375,021
Commonwealth care transfer.....	740,272	661,249	79,023	614,910
Medical assistance transfer.....	565,007	390,889	174,118	220,900
Delivery system transformation initiatives trust transfer.....	186,908	186,908	-	186,908
Total other financing uses.....	<u>1,593,687</u>	<u>1,836,935</u>	<u>(243,248)</u>	<u>1,476,227</u>
Total expenditures and other financing uses.....	<u>32,996,153</u>	<u>32,807,201</u>	<u>188,952</u>	<u>31,353,996</u>
Excess (deficiency) of revenues and other financing sources				
over / (under) expenditures and other financing uses.....	(489,153)	(28,419)	460,734	(149,248)
Fund balance (deficit) at beginning of year.....	<u>301,649</u>	<u>301,649</u>	<u>-</u>	<u>450,897</u>
Fund balance (deficit) at end of year.....	<u>\$ (187,504)</u>	<u>\$ 273,230</u>	<u>\$ 460,734</u>	<u>\$ 301,649</u>

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

June 30, 2013  
(Amounts in thousands)

	2013	2012
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ 855
Cash with fiscal agent.....	13,932	7,581
Receivables, net of allowance for uncollectibles:		
Other receivable.....	45,512	-
<b>Total assets.....</b>	<b>\$ 59,444</b>	<b>\$ 8,436</b>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 44,867	\$ -
Accounts payable.....	545	855
<b>Total liabilities.....</b>	<b>45,412</b>	<b>855</b>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	100	-
Reserved for debt service.....	13,932	7,581
<b>Total fund balance.....</b>	<b>14,032</b>	<b>7,581</b>
<b>Total liabilities and fund balance.....</b>	<b>\$ 59,444</b>	<b>\$ 8,436</b>

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

Fiscal Year Ended June 30, 2013  
(Amounts in thousands)

	2013 Budget	2013 Actual	Variance Favorable (Unfavorable)	2012 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ 998,300	\$ 968,615	\$ (29,685)	\$ 972,760
Assessments.....	-	21,791	21,791	21,511
Departmental.....	535,900	557,684	21,784	498,522
Miscellaneous.....	-	666	666	369
Total revenues.....	<u>1,534,200</u>	<u>1,548,756</u>	<u>14,556</u>	<u>1,493,162</u>
Other financing sources:				
Operating transfers in.....	-	11,779	11,779	12,314
Total other financing sources.....	<u>-</u>	<u>11,779</u>	<u>11,779</u>	<u>12,314</u>
Total revenues and other financing sources.....	<u>1,534,200</u>	<u>1,560,535</u>	<u>26,335</u>	<u>1,505,476</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Administration and Finance.....	1,129	-	1,129	5,396
Massachusetts Department of Transportation.....	160,000	160,000	-	160,000
Debt service:				
Principal retirement.....	555,530	551,762	3,768	459,645
Interest and fiscal charges.....	480,958	463,885	17,073	443,286
Total expenditures.....	<u>1,197,617</u>	<u>1,175,647</u>	<u>21,970</u>	<u>1,068,327</u>
Other financing uses:				
Operating transfers out.....	332,168	335,079	(2,911)	375,740
Stabilization transfer.....	-	43,358	(43,358)	84,987
Total other financing uses.....	<u>332,168</u>	<u>378,437</u>	<u>(46,269)</u>	<u>460,727</u>
Total expenditures and other financing uses.....	<u>1,529,785</u>	<u>1,554,084</u>	<u>(24,299)</u>	<u>1,529,054</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	4,415	6,451	2,036	(23,578)
Fund balance (deficit) at beginning of year.....	7,581	7,581	-	31,159
Fund balance (deficit) at end of year.....	<u>\$ 11,996</u>	<u>\$ 14,032</u>	<u>\$ 2,036</u>	<u>\$ 7,581</u>

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

June 30, 2013  
(Amounts in thousands)

	2013	2012
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 1,298,310	\$ 1,392,060
Investments.....	258,347	260,058
Total assets.....	\$ 1,556,657	\$ 1,652,118
<b>LIABILITIES AND FUND EQUITY</b>		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	-	-
Fund balance:		
Reserved fund balance:		
Reserved for Commonwealth Stabilization.....	1,556,657	1,652,118
Total fund balance.....	1,556,657	1,652,118
Total liabilities and fund balance.....	\$ 1,556,657	\$ 1,652,118

See accountants' review report

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

Fiscal Year Ended June 30, 2013  
(Amounts in thousands)

	2013 Budget	2013 Actual	Variance Favorable (Unfavorable)	2012 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ -	\$ 1,291	\$ 1,291	\$ 1,353
Miscellaneous.....	9,087	5,322	(3,765)	10,408
Total revenues.....	<u>9,087</u>	<u>6,613</u>	<u>(2,474)</u>	<u>11,761</u>
Other financing sources:				
Stabilization transfer.....	100,000	499,998	399,998	491,694
Total other financing sources.....	<u>100,000</u>	<u>499,998</u>	<u>399,998</u>	<u>491,694</u>
Total revenues and other financing sources.....	<u>109,087</u>	<u>506,611</u>	<u>397,524</u>	<u>503,455</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:				
State Retiree Benefits transfer.....	-	23,375	(23,375)	-
State Pension transfer.....	-	23,375	(23,375)	-
Stabilization transfer.....	364,100	555,322	(191,222)	230,408
Total other financing uses.....	<u>364,100</u>	<u>602,072</u>	<u>(237,972)</u>	<u>230,408</u>
Total expenditures and other financing uses.....	<u>364,100</u>	<u>602,072</u>	<u>(237,972)</u>	<u>230,408</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	(255,013)	(95,461)	159,552	273,047
Fund balance (deficit) at beginning of year.....	<u>1,652,118</u>	<u>1,652,118</u>	<u>-</u>	<u>1,379,071</u>
Fund balance (deficit) at end of year.....	<u>\$ 1,397,105</u>	<u>\$ 1,556,657</u>	<u>\$ 159,552</u>	<u>\$ 1,652,118</u>

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

June 30, 2013  
(Amounts in thousands)

	2013	2012
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 40,234	\$ 33,911
Total assets.....	\$ 40,234	\$ 33,911
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 26,109	\$ 22,239
Accrued payroll.....	4,342	3,517
Total liabilities.....	30,451	25,756
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	9,783	8,155
Total fund balance .....	9,783	8,155
Total liabilities and fund balance.....	\$ 40,234	\$ 33,911

See accountants' review report



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

Fiscal Year Ended June 30, 2013  
(Amounts in thousands)

	2013 Budget	2013 Actual	Variance Favorable (Unfavorable)	2012 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental.....	\$ -	\$ 328,654	\$ 328,654	\$ 306,628
Total revenues.....	-	328,654	328,654	306,628
Other financing sources:				
Operating transfers in.....	-	-	-	14
Total other financing sources.....	-	-	-	14
Total revenues and other financing sources.....	-	328,654	328,654	306,642
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Governor and Lieutenant Governor.....	-	-	-	60
Secretary of the Commonwealth.....	116	113	3	116
Treasurer and Receiver - General.....	6,218	-	6,218	-
Comptroller.....	4,374	3,922	452	3,645
Administration and Finance.....	272,507	189,939	82,568	174,301
Energy and Environmental Affairs.....	1,291	1,259	32	1,250
Health and Human Services.....	117,344	79,849	37,495	82,768
Executive Office of Education.....	1,837	90	1,747	-
Public Safety and Homeland Security.....	53,571	42,792	10,779	38,943
Housing and Economic Development.....	2,462	1,147	1,315	910
Labor and Workforce Development.....	19,041	-	19,041	-
Total expenditures.....	478,761	319,111	159,650	301,993
Other financing uses:				
Operating transfers out.....	-	7,915	(7,915)	611
Total other financing uses.....	-	7,915	(7,915)	611
Total expenditures and other financing uses.....	478,761	327,026	151,735	302,604
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....				
	(478,761)	1,628	480,389	4,038
Fund balance (deficit) at beginning of year.....	8,155	8,155	-	4,117
Fund balance (deficit) at end of year.....	\$ (470,606)	\$ 9,783	\$ 480,389	\$ 8,155

See accountants' review report

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

June 30, 2013  
(Amounts in thousands)

	2013	2012
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 19,524	\$ 19,427
Total assets.....	\$ 19,524	\$ 19,427
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 617	\$ 481
Accrued payroll.....	304	282
Total liabilities.....	921	763
Fund balance:		
Unreserved fund balance:		
Undesignated.....	18,603	18,664
Total fund balance.....	18,603	18,664
Total liabilities and fund balance.....	\$ 19,524	\$ 19,427

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, 2013  
(Amounts in thousands)

	2013 Budget	2013 Actual	Variance Favorable (Unfavorable)	2012 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ 900	\$ 857	\$ (43)	\$ 873
Federal grants and reimbursements.....	5,500	6,517	1,017	5,312
Departmental.....	6,665	6,893	228	7,719
Miscellaneous.....	-	41	41	30
Total revenues.....	<u>13,065</u>	<u>14,308</u>	<u>1,243</u>	<u>13,934</u>
Other financing sources:				
Operating transfers in.....	<u>100</u>	<u>170</u>	<u>70</u>	<u>177</u>
Total other financing sources.....	<u>100</u>	<u>170</u>	<u>70</u>	<u>177</u>
Total revenues and other financing sources.....	<u>13,165</u>	<u>14,478</u>	<u>1,313</u>	<u>14,111</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Energy and Environmental Affairs.....	<u>13,041</u>	<u>12,544</u>	<u>497</u>	<u>11,055</u>
Total expenditures.....	<u>13,041</u>	<u>12,544</u>	<u>497</u>	<u>11,055</u>
Other financing uses				
Fringe benefit cost assessment.....	<u>1,900</u>	<u>1,995</u>	<u>(95)</u>	<u>2,201</u>
Total other financing uses.....	<u>1,900</u>	<u>1,995</u>	<u>(95)</u>	<u>2,201</u>
Total expenditures and other financing uses.....	<u>14,941</u>	<u>14,539</u>	<u>402</u>	<u>13,256</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	(1,776)	(61)	1,715	855
Fund balance (deficit) at beginning of year.....	<u>18,664</u>	<u>18,664</u>	<u>-</u>	<u>17,809</u>
Fund balance (deficit) at end of year.....	<u>\$ 16,888</u>	<u>\$ 18,603</u>	<u>\$ 1,715</u>	<u>\$ 18,664</u>

See accountants' review report

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

June 30, 2013  
(Amounts in thousands)

	2013	2012
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 2,096	\$ 1,578
Total assets.....	\$ 2,096	\$ 1,578
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 107	\$ 8
Accrued payroll.....	13	11
Total liabilities.....	120	19
Fund balance:		
Unreserved fund balance:		
Undesignated.....	1,976	1,559
Total fund balance.....	1,976	1,559
Total liabilities and fund balance.....	\$ 2,096	\$ 1,578

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, 2013  
(Amounts in thousands)

	2013 Budget	2013 Actual	Variance Favorable (Unfavorable)	2012 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental.....	\$ 1,048	\$ 1,230	\$ 182	\$ 1,234
Total revenues.....	<u>1,048</u>	<u>1,230</u>	<u>182</u>	<u>1,234</u>
Other financing sources:				
Operating transfers in.....	-	-	-	613
Total other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>613</u>
Total revenues and other financing sources.....	<u>1,048</u>	<u>1,230</u>	<u>182</u>	<u>1,847</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Energy and Environmental Affairs.....	767	732	35	321
Total expenditures.....	<u>767</u>	<u>732</u>	<u>35</u>	<u>321</u>
Other financing uses				
Fringe benefit cost assessment.....	-	81	(81)	30
Total other financing uses.....	<u>-</u>	<u>81</u>	<u>(81)</u>	<u>30</u>
Total expenditures and other financing uses.....	<u>767</u>	<u>813</u>	<u>(46)</u>	<u>351</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	281	417	136	1,496
Fund balance (deficit) at beginning of year.....	<u>1,559</u>	<u>1,559</u>	<u>-</u>	<u>63</u>
Fund balance (deficit) at end of year.....	<u>\$ 1,840</u>	<u>\$ 1,976</u>	<u>\$ 136</u>	<u>\$ 1,559</u>

See accountants' review report

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

June 30, 2013  
(Amounts in thousands)

	2013	2012
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 961	\$ 167
Total assets.....	\$ 961	\$ 167
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 832	\$ 119
Accrued payroll.....	53	48
Total liabilities.....	885	167
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	76	-
Total fund balance.....	76	-
Total liabilities and fund balance.....	\$ 961	\$ 167

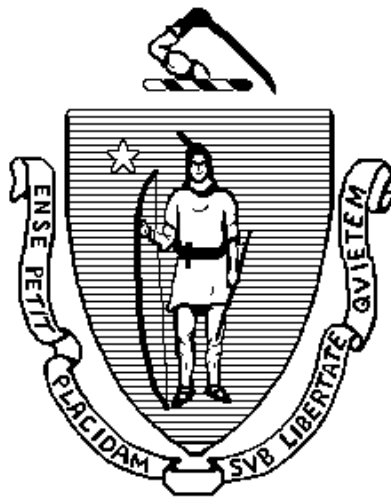
See accountants' review report

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

Fiscal Year Ended June 30, 2013  
(Amounts in thousands)

	2013 Budget	2013 Actual	Variance Favorable (Unfavorable)	2012 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ 44,700	\$ 45,228	\$ 528	\$ 42,574
Total revenues.....	44,700	45,228	528	42,574
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	44,700	45,228	528	42,574
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Governor and Lieutenant Governor.....	17	17	-	17
Massachusetts Department of Transportation.....	3	-	3	-
Housing and Economic Development.....	17,037	16,965	72	11,622
Total expenditures.....	17,057	16,982	72	11,639
Other financing uses:				
Fringe benefit cost assessment.....	400	384	16	432
Operating transfers out.....	-	-	-	6,045
Stabilization transfer.....	-	27,786	(27,786)	31,686
Total other financing uses.....	400	28,170	(27,770)	38,163
Total expenditures and other financing uses.....	17,457	45,152	(27,698)	49,802
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	27,243	76	(27,167)	(7,228)
Fund balance (deficit) at beginning of year.....	-	-	-	7,228
Fund balance (deficit) at end of year.....	\$ 27,243	\$ 76	\$ (27,167)	\$ -

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

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

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

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

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

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

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

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

*Healthcare Payment Reform Fund* – to account for any gaming license fees transferred under Section 93 of Chapter 194 of the Acts of 2011, as amended by Section 10 of Chapter 3 of the Acts of 2013, 5% of the acute hospital assessments and any monies credited or transferred to the fund from any other fund or source. The Health Policy Commission is the trustee of the fund and

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may expend from the fund, without further appropriation, to carry out the purposes of Chapter 224 of the Acts of 2012, which is to improve the quality of and reduce the cost of health care in the Commonwealth.

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

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

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

## **OTHER FUNDS:**

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

***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.

***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 that accept funds from the trust, to further community open space preservation programs.

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

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**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 is transferred to the General Fund.

**Victims of Drunk Driving Trust Fund** – to account for fines collected from individuals convicted of driving under the influence of various substances defined by the law. Expenditures are for grants to community based programs to provide counseling and support services to victims of accidents.

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

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

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

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

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

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

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

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

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

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

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

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

**Roche Community Rink Fund** – to account for 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.

**Health Care Workforce Transformation Fund** – to account for all revenue received under Section 28 of Chapter 224 of the Acts of 2012, including payments made under the healthcare workforce loan repayment program, appropriations made by General Court and gifts, grants and interest income. Expenditures of not more than 10% of the amount held in the fund in any one year shall be used by the Secretary of Health and Human

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Services for the combined cost of program administration, technical assistance to grantees and program evaluation. Funds of not less than 20% may be transferred to the Department of Public Health and up to 10% may be transferred to the Massachusetts Nursing and Allied Health Workforce Development Trust Fund. Funds remaining shall be expended by the Executive Office of Labor and Workforce Development for various healthcare related jobs programs.

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

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

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

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

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

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

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

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

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

***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.

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

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

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

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

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

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

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

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

scientific or technology research and development. This fund expired on June 30, 2013.

**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. This fund shall remain in effect until June 30, 2014.

**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.

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

**Homeless Animal Prevention and Care Fund** – to offset costs associated with the vaccination, spaying and neutering of homeless dogs and cats, owned by low-income residents and to assist with the training of animal control officers consistent with Section 151C of Chapter 140 of the General Laws. The fund shall consist of all revenues received by the Commonwealth pursuant to the voluntary check-off donation indicated on the Department of Revenue’s annual income tax return and from public and private sources as gifts, grants and donations to further reduce the population of homeless animals.

**Horseneck Beach Reservation Trust Fund** – to account for the long-term preservation, maintenance, nourishment and public safety of Horseneck Beach in the Town of Westport. Revenues credited to the fund shall consist of a surcharge of \$1 imposed by the Department of Conservation and Recreation upon each fee charged and collected from admission to and parking in the Horseneck

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Beach Reservation. Expenditures from the fund for public safety may be made available to the town of Westport's police, fire, ambulance and emergency personnel.

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

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

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

***Massachusetts Military Family Relief Fund*** – to account for revenues received by the Commonwealth pursuant to the voluntary check-off donation indicated on the Department of Revenue's annual income tax return, from public and private sources as gifts, grants, and donations to further the purposes of the fund, which is to help members of the Massachusetts National Guard and Massachusetts residents who are members of the Armed Forces of the United States and who were called to active duty after September 11, 2001.

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

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

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

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

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

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

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

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

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

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

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

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

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

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The following funds have been enacted in legislation but were inactive in FY13 and are not presented in this report:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

***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.

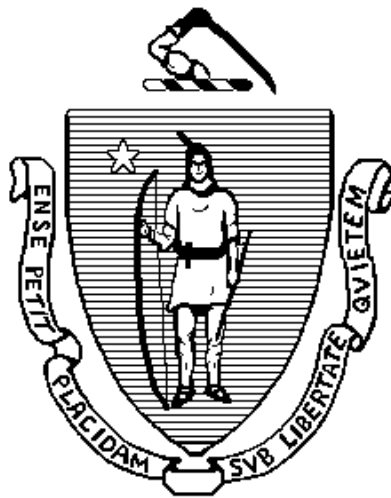
***Gaming Licensing Fund*** – to account for the collection of all gaming establishment licensing fees established under Chapter 23K of the General Laws and excluding initial application fees. Monies from this fund shall be transferred to various funds in accordance with Section 93 of Chapter 194 of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

***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.

***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. For FY2013, per statute, tobacco revenues were deposited directly into the General Fund, not into this fund.





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

Fiscal Year Ended June 30, 2013  
 (Amounts in thousands)

	Lotteries			Gaming	Universal Health Care Funds		
	Federal Grants	State Lottery	Arts Lottery	Massachusetts Gaming Control	Catastrophic Illness in Children Relief	Commonwealth Care Trust	Medical Assistance Trust
<b>REVENUES AND OTHER FINANCING SOURCES</b>							
Revenues:							
Taxes.....	\$ -	\$ 683	\$ -	\$ -	\$ -	\$ 141,289	\$ -
Assessments.....	-	-	-	-	-	-	-
Federal grants and reimbursements.....	2,396,175	-	-	-	-	-	-
Departmental.....	-	4,966,124	75,564	9,899	-	16,000	152,000
Miscellaneous.....	-	961	44	-	1	63,379	-
<b>Total revenues.....</b>	<b>2,396,175</b>	<b>4,967,768</b>	<b>75,608</b>	<b>9,899</b>	<b>1</b>	<b>220,668</b>	<b>152,000</b>
Other financing sources:							
Operating transfers in.....	-	-	74,645	-	-	-	-
Stabilization transfer.....	-	-	-	-	-	-	-
Commonwealth care trust transfer.....	-	-	-	-	-	661,249	-
Health safety net trust transfer.....	-	-	-	-	-	-	-
Medical assistance transfer.....	-	-	-	-	-	-	390,889
Delivery system transformation initiatives trust transfer.....	-	-	-	-	-	-	-
<b>Total other financing sources.....</b>	<b>-</b>	<b>-</b>	<b>74,645</b>	<b>-</b>	<b>-</b>	<b>661,249</b>	<b>390,889</b>
<b>Total revenues and other financing sources.....</b>	<b>2,396,175</b>	<b>4,967,768</b>	<b>150,253</b>	<b>9,899</b>	<b>1</b>	<b>881,917</b>	<b>542,889</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>							
Expenditures:							
Judiciary.....	1,186	-	-	-	-	-	-
Inspector General.....	-	-	-	-	-	-	-
Governor and Lieutenant Governor.....	-	-	-	-	-	-	-
Secretary of the Commonwealth.....	854	-	-	-	-	-	-
Treasurer and Receiver-General.....	1,858	3,927,982	65,178	-	-	-	-
Attorney General.....	8,660	-	-	-	-	-	-
District Attorney.....	2,300	-	-	-	-	-	-
Sheriff's Departments.....	3,835	-	-	-	-	-	-
Board of Library Commissioners.....	2,966	-	-	-	-	-	-
Massachusetts Gaming Commission.....	-	-	-	12,722	-	-	-
Comptroller.....	-	-	-	-	-	-	-
Administration and Finance.....	6,306	-	-	-	-	886,726	-
Energy and Environmental Affairs.....	49,784	-	-	-	-	-	-
Health and Human Services.....	434,523	-	-	-	165	-	544,282
Massachusetts Department of Transportation.....	2,104	-	-	-	-	-	-
Executive Office of Education.....	957,433	-	-	-	-	-	-
Public Safety and Homeland Security.....	218,857	-	-	-	-	-	-
Housing and Economic Development.....	470,940	-	-	33	-	-	-
Labor and Workforce Development.....	157,448	-	-	-	-	-	-
Debt service:							
Principal retirement.....	-	-	-	-	-	-	-
Interest and fiscal charges.....	-	-	-	-	-	-	-
<b>Total expenditures.....</b>	<b>2,319,054</b>	<b>3,927,982</b>	<b>65,178</b>	<b>12,755</b>	<b>165</b>	<b>886,726</b>	<b>544,282</b>
Other financing uses:							
Fringe benefit cost assessment.....	50,732	7,271	-	420	42	-	-
Lottery operating reimbursements.....	-	87,056	6,461	-	-	-	-
Lottery distributions.....	-	870,814	78,614	-	-	-	-
Operating transfers out.....	43,726	74,645	-	-	23	18,825	-
Health safety net trust transfer.....	-	-	-	-	-	30,000	-
Federal reimbursement transfer out.....	-	-	-	-	-	-	-
<b>Total other financing uses.....</b>	<b>94,458</b>	<b>1,039,786</b>	<b>85,075</b>	<b>420</b>	<b>65</b>	<b>48,825</b>	<b>-</b>
<b>Total expenditures and other financing uses.....</b>	<b>2,413,512</b>	<b>4,967,768</b>	<b>150,253</b>	<b>13,175</b>	<b>230</b>	<b>935,551</b>	<b>544,282</b>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....							
	(17,337)	-	-	(3,276)	(229)	(53,634)	(1,393)
Fund balance (deficit) at beginning of year.....	83,713	-	-	14,145	244	53,634	1,393
<b>Fund balance (deficit) at end of year.....</b>	<b>\$ 66,376</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,869</b>	<b>\$ 15</b>	<b>\$ -</b>	<b>\$ -</b>

See accountants' review report

Universal Health Care Funds								Non-Budgeted Other Funds
Health Safety Net Trust	Delivery System Transformation Initiatives Trust	Money Follows the Person Rebalancing Demonstration Grant Trust	Medical Security Trust	Healthcare Payment Reform	Distressed Hospital Trust	Prevention and Wellness Trust	Massachusetts Health Information Exchange	Department of Telecommunication and Energy Trust
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
333,232	-	-	-	2,280	25,994	11,553	-	5,606
985	-	-	-	-	-	-	-	-
187	22,427	-	197,503	-	-	-	185	-
334,404	22,427	-	197,503	2,280	25,994	11,553	185	5,606
-	-	1,319	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
30,000	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	186,908	-	-	-	-	-	-	-
30,000	186,908	1,319	-	-	-	-	-	-
364,404	209,335	1,319	197,503	2,280	25,994	11,553	185	5,606
-	-	-	-	-	-	-	-	-
49	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	11
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	3,665
397,571	208,472	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	79,796	-	-	-	-	-
-	-	-	-	-	-	-	-	-
397,620	208,472	-	79,796	-	-	-	-	3,676
90	-	-	741	-	-	-	-	651
-	-	-	-	-	-	-	-	-
123	-	-	66	-	-	-	-	171
-	-	-	-	-	-	-	-	-
213	-	-	807	-	-	-	-	822
397,833	208,472	-	80,603	-	-	-	-	4,498
(33,429)	863	1,319	116,900	2,280	25,994	11,553	185	1,108
102,015	82	177	(77,031)	-	-	-	-	1,359
\$ 68,586	\$ 945	\$ 1,496	\$ 39,869	\$ 2,280	\$ 25,994	\$ 11,553	\$ 185	\$ 2,467

continued

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

Fiscal Year Ended June 30, 2013  
 (Amounts in thousands)

	Non-Budgeted Other Funds						
	Liability Management and Reduction	Commonwealth of Massachusetts Civil Monetary Penalty (CMP)	MBTA State and Local Contribution	MBTA Infrastructure Renovation	Community Preservation Trust	Health Insurance Portability and Accountability Act	State Racing
<b>REVENUES AND OTHER FINANCING SOURCES</b>							
Revenues:							
Taxes.....	\$ -	\$ -	\$ 786,867	\$ -	\$ 30,598	\$ -	\$ 1,830
Assessments.....	-	-	155,769	-	-	-	408
Federal grants and reimbursements.....	-	-	-	-	-	15,677	-
Departmental.....	1,918	476	-	-	-	-	257
Miscellaneous.....	2	-	-	-	23	-	1
<b>Total revenues.....</b>	<b>1,920</b>	<b>476</b>	<b>942,636</b>	<b>-</b>	<b>30,621</b>	<b>15,677</b>	<b>2,496</b>
Other financing sources:							
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>1,920</b>	<b>476</b>	<b>942,636</b>	<b>-</b>	<b>30,621</b>	<b>15,677</b>	<b>2,496</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>							
Expenditures:							
Judiciary.....	-	-	-	-	-	-	-
Inspector General.....	-	-	-	-	-	-	-
Governor and Lieutenant Governor.....	-	-	-	-	-	-	-
Secretary of the Commonwealth.....	-	-	-	-	-	-	-
Treasurer and Receiver-General.....	-	-	942,636	3,325	-	-	-
Attorney General.....	36	-	-	-	-	-	-
District Attorney.....	-	-	-	-	-	-	-
Sheriff's Departments.....	-	-	-	-	-	-	-
Board of Library Commissioners.....	-	-	-	-	-	-	-
Massachusetts Gaming Commission.....	-	-	-	-	-	-	614
Comptroller.....	1,715	-	-	-	-	-	-
Administration and Finance.....	-	-	-	-	27,813	-	-
Energy and Environmental Affairs.....	-	-	-	-	-	-	-
Health and Human Services.....	-	287	-	-	-	18,899	110
Massachusetts Department of Transportation.....	-	-	-	-	-	-	-
Executive Office of Education.....	-	-	-	-	-	-	-
Public Safety and Homeland Security.....	-	-	-	-	-	-	-
Housing and Economic Development.....	-	-	-	-	-	-	1,018
Labor and Workforce Development.....	-	-	-	-	-	-	-
Debt service:							
Principal retirement.....	-	-	-	-	-	-	-
Interest and fiscal charges.....	-	-	-	-	-	-	-
<b>Total expenditures.....</b>	<b>1,751</b>	<b>287</b>	<b>942,636</b>	<b>3,325</b>	<b>27,813</b>	<b>18,899</b>	<b>1,742</b>
Other financing uses:							
Fringe benefit cost assessment.....	15	-	-	-	25	33	151
Lottery operating reimbursements.....	-	-	-	-	-	-	-
Lottery distributions.....	-	-	-	-	-	-	-
Operating transfers out.....	-	-	-	-	16	223	-
Health safety net trust transfer.....	-	-	-	-	-	-	-
Federal reimbursement transfer out.....	-	-	-	-	-	-	-
<b>Total other financing uses.....</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41</b>	<b>256</b>	<b>151</b>
<b>Total expenditures and other financing uses.....</b>	<b>1,766</b>	<b>287</b>	<b>942,636</b>	<b>3,325</b>	<b>27,854</b>	<b>19,155</b>	<b>1,893</b>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....							
	154	189	-	(3,325)	2,767	(3,478)	603
Fund balance (deficit) at beginning of year.....	2,948	1,372	-	3,325	27,396	8,699	748
<b>Fund balance (deficit) at end of year.....</b>	<b>\$ 3,102</b>	<b>\$ 1,561</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 30,163</b>	<b>\$ 5,221</b>	<b>\$ 1,351</b>

See accountants' review report



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

Fiscal Year Ended June 30, 2013  
 (Amounts in thousands)

	Non-Budgeted Other Funds						
	Counsel for Indigent Salary Enhancement Trust	Smart Growth Housing Trust	Special Projects Permitting and Oversight	Division of Energy Resources and Credit Trust	School Modernization and Reconstruction Trust	Roche Community Rink	Healthcare Workforce Transformation Trust
<b>REVENUES AND OTHER FINANCING SOURCES</b>							
Revenues:							
Taxes.....	\$ -	\$ -	\$ -	\$ -	\$ 682,046	\$ -	\$ -
Assessments.....	-	-	-	-	-	-	-
Federal grants and reimbursements.....	-	-	-	-	-	-	-
Departmental.....	64	-	6,446	-	-	50	-
Miscellaneous.....	-	-	-	131	-	-	-
<b>Total revenues.....</b>	<b>64</b>	<b>-</b>	<b>6,446</b>	<b>131</b>	<b>682,046</b>	<b>50</b>	<b>-</b>
Other financing sources:							
Operating transfers in.....	-	4,000	-	-	-	-	20,000
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>4,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,000</b>
<b>Total revenues and other financing sources.....</b>	<b>64</b>	<b>4,000</b>	<b>6,446</b>	<b>131</b>	<b>682,046</b>	<b>50</b>	<b>20,000</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>							
Expenditures:							
Judiciary.....	-	-	-	-	-	-	-
Inspector General.....	-	-	-	-	-	-	-
Governor and Lieutenant Governor.....	-	-	-	-	-	-	-
Secretary of the Commonwealth.....	-	-	-	-	-	-	-
Treasurer and Receiver-General.....	-	-	-	-	682,046	-	-
Attorney General.....	-	-	-	-	-	-	-
District Attorney.....	-	-	-	-	-	-	-
Sheriff's Departments.....	-	-	-	-	-	-	-
Board of Library Commissioners.....	-	-	-	-	-	-	-
Massachusetts Gaming Commission.....	-	-	-	-	-	-	-
Comptroller.....	-	-	-	-	-	-	-
Administration and Finance.....	-	-	-	-	-	-	-
Energy and Environmental Affairs.....	-	-	2,009	1	-	-	-
Health and Human Services.....	-	-	-	-	-	-	-
Massachusetts Department of Transportation.....	-	-	-	-	-	-	-
Executive Office of Education.....	-	-	-	-	-	-	-
Public Safety and Homeland Security.....	-	-	-	-	-	-	-
Housing and Economic Development.....	-	525	-	-	-	-	-
Labor and Workforce Development.....	-	-	-	-	-	-	-
Debt service:							
Principal retirement.....	-	-	-	-	-	-	-
Interest and fiscal charges.....	-	-	-	-	-	-	-
<b>Total expenditures.....</b>	<b>-</b>	<b>525</b>	<b>2,009</b>	<b>1</b>	<b>682,046</b>	<b>-</b>	<b>-</b>
Other financing uses:							
Fringe benefit cost assessment.....	-	-	465	-	-	-	-
Lottery operating reimbursements.....	-	-	-	-	-	-	-
Lottery distributions.....	-	-	-	-	-	-	-
Operating transfers out.....	-	-	977	-	-	-	-
Health safety net trust transfer.....	-	-	-	-	-	-	-
Federal reimbursement transfer out.....	-	-	-	-	-	-	-
<b>Total other financing uses.....</b>	<b>-</b>	<b>-</b>	<b>1,442</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditures and other financing uses.....</b>	<b>-</b>	<b>525</b>	<b>3,451</b>	<b>1</b>	<b>682,046</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	64	3,475	2,995	130	-	50	20,000
Fund balance (deficit) at beginning of year.....	221	1,035	2,375	2,118	-	303	-
<b>Fund balance (deficit) at end of year.....</b>	<b>\$ 285</b>	<b>\$ 4,510</b>	<b>\$ 5,370</b>	<b>\$ 2,248</b>	<b>\$ -</b>	<b>\$ 353</b>	<b>\$ 20,000</b>

See accountants' review report



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

Fiscal Year Ended June 30, 2013  
 (Amounts in thousands)

	Non-Budgeted Other Funds						
	Government Land Bank	Natural Heritage and Endangered Species	Massachusetts Mathematics, Science, Technology and Engineering Grant	Commonwealth Covenant	Massachusetts Alternative and Clean Energy Investment Trust	Regional Greenhouse Gas Initiative (RGGI) Auction Trust	Mosquito and Greenhead Fly Control
<b>REVENUES AND OTHER FINANCING SOURCES</b>							
Revenues:							
Taxes.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assessments.....	-	-	-	-	-	-	10,220
Federal grants and reimbursements.....	-	1,070	-	-	-	-	-
Departmental.....	-	473	-	-	-	52,203	695
Miscellaneous.....	-	155	25	-	-	-	-
Total revenues.....	-	1,698	25	-	-	52,203	10,915
Other financing sources:							
Operating transfers in.....	9,226	-	1,500	-	-	-	-
Stabilization transfer.....	-	-	-	-	-	-	-
Commonwealth care trust transfer.....	-	-	-	-	-	-	-
Health safety net trust transfer.....	-	-	-	-	-	-	-
Medical assistance transfer.....	-	-	-	-	-	-	-
Delivery system transformation initiatives trust transfer.....	-	-	-	-	-	-	-
Total other financing sources.....	9,226	-	1,500	-	-	-	-
Total revenues and other financing sources.....	9,226	1,698	1,525	-	-	52,203	10,915
<b>EXPENDITURES AND OTHER FINANCING USES</b>							
Expenditures:							
Judiciary.....	-	-	-	-	-	-	-
Inspector General.....	-	-	-	-	-	-	-
Governor and Lieutenant Governor.....	-	-	-	-	-	-	-
Secretary of the Commonwealth.....	-	-	-	-	-	-	-
Treasurer and Receiver-General.....	-	-	-	35	-	-	-
Attorney General.....	-	-	-	-	-	-	-
District Attorney.....	-	-	-	-	-	-	-
Sheriff's Departments.....	-	-	-	-	-	-	-
Board of Library Commissioners.....	-	-	-	-	-	-	-
Massachusetts Gaming Commission.....	-	-	-	-	-	-	-
Comptroller.....	-	-	-	-	-	-	-
Administration and Finance.....	-	-	-	-	-	-	-
Energy and Environmental Affairs.....	-	1,192	-	-	-	41,062	9,158
Health and Human Services.....	-	-	-	-	-	-	95
Massachusetts Department of Transportation.....	-	-	-	-	-	-	-
Executive Office of Education.....	-	-	1,477	-	-	-	-
Public Safety and Homeland Security.....	-	-	-	-	-	-	-
Housing and Economic Development.....	-	-	-	-	-	-	-
Labor and Workforce Development.....	-	-	-	-	-	-	-
Debt service:							
Principal retirement.....	6,055	-	-	-	-	-	-
Interest and fiscal charges.....	3,171	-	-	-	-	-	-
Total expenditures.....	9,226	1,192	1,477	35	-	41,062	9,253
Other financing uses:							
Fringe benefit cost assessment.....	-	82	33	-	-	-	1,076
Lottery operating reimbursements.....	-	-	-	-	-	-	-
Lottery distributions.....	-	-	-	-	-	-	-
Operating transfers out.....	-	-	23	-	-	-	-
Health safety net trust transfer.....	-	-	-	-	-	-	-
Federal reimbursement transfer out.....	-	-	-	-	-	-	-
Total other financing uses.....	-	82	56	-	-	-	1,076
Total expenditures and other financing uses.....	9,226	1,274	1,533	35	-	41,062	10,329
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....							
	-	424	(8)	(35)	-	11,141	586
Fund balance (deficit) at beginning of year.....	(35,033)	1,127	641	101	24	26,729	1,044
Fund balance (deficit) at end of year.....	\$ (35,033)	\$ 1,551	\$ 633	\$ 66	\$ 24	\$ 37,870	\$ 1,630

See accountants' review report





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

Fiscal Year Ended June 30, 2013  
 (Amounts in thousands)

	Non-Budgeted Other Funds						
	Homeless Animal Prevention and Care	Horseneck Beach Reservation	Environmental Trust	Children's Trust	Child Support Enforcement	Massachusetts Military Family Relief	Department of Industrial Accidents Special
<b>REVENUES AND OTHER FINANCING SOURCES</b>							
Revenues:							
Taxes.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assessments.....	-	-	-	-	-	-	12,919
Federal grants and reimbursements.....	-	-	-	-	26,626	-	-
Departmental.....	-	-	832	-	4,894	-	5,555
Miscellaneous.....	196	13	9	-	37	243	6
<b>Total revenues.....</b>	<b>196</b>	<b>13</b>	<b>841</b>	<b>-</b>	<b>31,557</b>	<b>243</b>	<b>18,480</b>
Other financing sources:							
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>196</b>	<b>13</b>	<b>841</b>	<b>-</b>	<b>31,557</b>	<b>243</b>	<b>18,480</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>							
Expenditures:							
Judiciary.....	-	-	-	-	-	-	-
Inspector General.....	-	-	-	-	-	-	-
Governor and Lieutenant Governor.....	-	-	-	-	-	-	-
Secretary of the Commonwealth.....	-	-	-	-	-	-	-
Treasurer and Receiver-General.....	-	-	-	-	9	-	-
Attorney General.....	-	-	-	-	-	-	-
District Attorney.....	-	-	-	-	235	-	-
Sheriff's Departments.....	-	-	-	-	-	-	-
Board of Library Commissioners.....	-	-	-	-	-	-	-
Massachusetts Gaming Commission.....	-	-	-	-	-	-	-
Comptroller.....	-	-	-	-	-	-	-
Administration and Finance.....	-	-	-	-	35,561	-	-
Energy and Environmental Affairs.....	-	-	938	-	-	-	-
Health and Human Services.....	-	-	-	-	-	-	-
Massachusetts Department of Transportation.....	-	-	-	-	-	-	-
Executive Office of Education.....	-	-	6	25	-	-	-
Public Safety and Homeland Security.....	-	-	-	-	-	200	-
Housing and Economic Development.....	-	-	-	-	-	-	-
Labor and Workforce Development.....	-	-	-	-	44	-	-
Debt service:							
Principal retirement.....	-	-	-	-	-	-	-
Interest and fiscal charges.....	-	-	-	-	-	-	-
<b>Total expenditures.....</b>	<b>-</b>	<b>-</b>	<b>944</b>	<b>25</b>	<b>35,849</b>	<b>200</b>	<b>-</b>
Other financing uses:							
Fringe benefit cost assessment.....	-	-	55	1	872	-	3,311
Lottery operating reimbursements.....	-	-	-	-	-	-	-
Lottery distributions.....	-	-	-	-	-	-	-
Operating transfers out.....	-	-	25	5	501	-	17,211
Health safety net trust transfer.....	-	-	-	-	-	-	-
Federal reimbursement transfer out.....	-	-	-	-	-	-	-
<b>Total other financing uses.....</b>	<b>-</b>	<b>-</b>	<b>80</b>	<b>6</b>	<b>1,373</b>	<b>-</b>	<b>20,522</b>
<b>Total expenditures and other financing uses.....</b>	<b>-</b>	<b>-</b>	<b>1,024</b>	<b>31</b>	<b>37,222</b>	<b>200</b>	<b>20,522</b>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	196	13	(183)	(31)	(5,665)	43	(2,042)
Fund balance (deficit) at beginning of year.....	-	-	4,129	231	53,928	849	14,294
<b>Fund balance (deficit) at end of year.....</b>	<b>\$ 196</b>	<b>\$ 13</b>	<b>\$ 3,946</b>	<b>\$ 200</b>	<b>\$ 48,263</b>	<b>\$ 892</b>	<b>\$ 12,252</b>

See accountants' review report

Non-Budgeted Other Funds								MassDOT
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	Grant Anticipation Note Trust	Massachusetts Transportation Trust
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98,519	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	600,585	48,790
-	6,203	8,920	-	260	-	1,965	-	395,949
89	1	-	8,819	-	2,112	-	760	21,664
89	6,204	8,920	8,819	260	100,631	1,965	601,345	466,403
-	-	-	-	-	-	-	19,585	420,600
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	19,585	420,600
89	6,204	8,920	8,819	260	100,631	1,965	620,930	887,003
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	52
-	-	-	-	-	-	-	-	103
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	931	224
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	738
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	101,183	-	-	1,650
-	-	-	5,948	-	-	-	-	2,575
130	5,430	5,976	-	-	-	-	-	292
-	-	-	-	-	-	-	-	799,791
-	-	-	-	39	-	-	-	-
-	-	-	-	-	-	1,275	-	91
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	161,285	-
-	-	-	-	-	36,469	-	26,876	-
130	5,430	5,976	5,948	39	137,652	1,275	189,092	805,516
-	159	972	1,304	-	-	-	-	31,831
-	-	-	-	-	-	-	-	-
-	52	516	1,643	-	-	-	-	1,983
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	430,022	-
-	211	1,488	2,947	-	-	-	430,022	33,814
130	5,641	7,464	8,895	39	137,652	1,275	619,114	839,330
(41)	563	1,456	(76)	221	(37,021)	690	1,816	47,673
119	2,732	4,605	1,042	883	116,752	2,628	205,055	785,657
\$ 78	\$ 3,295	\$ 6,061	\$ 966	\$ 1,104	\$ 79,731	\$ 3,318	\$ 206,871	\$ 833,330

continued

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

Fiscal Year Ended June 30, 2013  
 (Amounts in thousands)

	MassDOT		Totals	
	Central Artery/ Tunnel Project Repairs and Maintenance Trust	Motor Vehicle Safety Inspection Trust	(Memorandum only)	
			2013	2012
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ -	\$ -	\$ 1,764,078	\$ 1,739,826
Assessments.....	-	-	558,172	526,540
Federal grants and reimbursements.....	-	-	3,227,276	3,534,718
Departmental.....	-	30,862	6,029,687	5,846,922
Miscellaneous.....	6,087	44	130,170	136,786
<b>Total revenues.....</b>	<b>6,087</b>	<b>30,906</b>	<b>11,709,383</b>	<b>11,784,792</b>
Other financing sources:				
Operating transfers in.....	-	-	556,275	534,586
Stabilization transfer.....	-	-	-	15,000
Commonwealth care trust transfer.....	-	-	661,249	614,910
Health safety net trust transfer.....	-	-	30,000	30,000
Medical assistance transfer.....	-	-	390,889	220,900
Delivery system transformation initiatives trust transfer.....	-	-	186,908	186,908
<b>Total other financing sources.....</b>	<b>-</b>	<b>-</b>	<b>1,825,321</b>	<b>1,602,304</b>
<b>Total revenues and other financing sources.....</b>	<b>6,087</b>	<b>30,906</b>	<b>13,534,704</b>	<b>13,387,096</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Judiciary.....	-	-	1,186	1,439
Inspector General.....	-	-	101	298
Governor and Lieutenant Governor.....	-	-	103	98
Secretary of the Commonwealth.....	-	-	4,706	5,321
Treasurer and Receiver-General.....	-	-	5,660,556	5,509,177
Attorney General.....	-	-	9,093	9,560
District Attorney.....	-	-	2,560	2,336
Sheriff's Departments.....	-	-	10,518	12,369
Board of Library Commissioners.....	-	-	2,966	2,833
Massachusetts Gaming Commission.....	-	-	13,336	791
Comptroller.....	-	-	1,715	1,818
Administration and Finance.....	-	-	1,061,235	105,171
Energy and Environmental Affairs.....	-	2,239	119,700	125,620
Health and Human Services.....	-	-	1,727,570	2,343,685
Massachusetts Department of Transportation.....	5,946	11,285	819,126	600,940
Executive Office of Education.....	-	-	959,607	1,104,611
Public Safety and Homeland Security.....	-	-	284,813	230,850
Housing and Economic Development.....	-	-	507,539	533,684
Labor and Workforce Development.....	-	-	259,412	351,209
Debt service:				
Principal retirement.....	-	-	167,340	158,459
Interest and fiscal charges.....	-	-	66,516	71,898
<b>Total expenditures.....</b>	<b>5,946</b>	<b>13,524</b>	<b>11,679,698</b>	<b>11,172,167</b>
Other financing uses:				
Fringe benefit cost assessment.....	-	1,024	104,799	127,306
Lottery operating reimbursements.....	-	-	93,517	88,658
Lottery distributions.....	-	-	949,428	977,553
Operating transfers out.....	-	51,231	228,502	250,284
Health safety net trust transfer.....	-	-	30,000	30,000
Federal reimbursement transfer out.....	-	-	430,022	481,145
<b>Total other financing uses.....</b>	<b>-</b>	<b>52,255</b>	<b>1,836,268</b>	<b>1,954,946</b>
<b>Total expenditures and other financing uses.....</b>	<b>5,946</b>	<b>65,779</b>	<b>13,515,966</b>	<b>13,127,113</b>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	141	(34,873)	18,738	259,983
Fund balance (deficit) at beginning of year.....	385,624	44,953	2,059,461	1,799,478
<b>Fund balance (deficit) at end of year.....</b>	<b>\$ 385,765</b>	<b>\$ 10,080</b>	<b>\$ 2,078,199</b>	<b>\$ 2,059,461</b>

See accountants' review report

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# Capital Projects Funds

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

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

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

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

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

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

## OTHER FUNDS:

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

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

## LOCAL AID FUND:

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

## MASSACHUSETTS DEPARTMENT OF TRANSPORTATION (MassDOT) FUND:

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

The following fund has been enacted in legislation but was inactive in FY13 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.

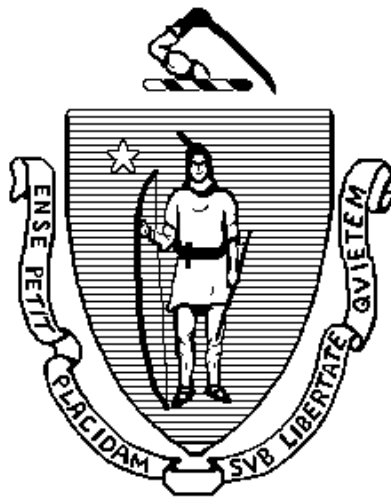
**Capital Projects Funds**  
 Combining Statements Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis

Fiscal Year Ended June 30, 2013  
 (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.....	\$ 9,918	\$ -	\$ -	\$ -
Departmental.....	-	-	-	-
Miscellaneous.....	-	-	-	175
Total revenues.....	<u>9,918</u>	<u>-</u>	<u>-</u>	<u>175</u>
Other financing sources:				
Proceeds of general obligation bonds.....	908,730	-	356	561,091
Proceeds of special obligation bonds.....	-	-	-	-
Bonds premiums (discounts).....	27,968	-	-	13,531
Proceeds of refunding bonds.....	68,355	-	2,229	99,508
Operating transfers in.....	-	-	-	-
Federal reimbursement transfer in.....	-	-	-	-
State share of federal highway construction.....	-	-	-	-
Total other financing sources.....	<u>1,005,053</u>	<u>-</u>	<u>2,585</u>	<u>674,130</u>
Total revenues and other financing sources.....	<u>1,014,971</u>	<u>-</u>	<u>2,585</u>	<u>674,305</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Judiciary.....	9,785	-	-	-
Secretary of the Commonwealth.....	1,528	-	-	-
Treasurer and Receiver-General.....	13,989	-	-	1
Auditor of the Commonwealth.....	988	-	-	-
Attorney General.....	201	-	-	269
Sheriff's Departments.....	3,626	-	-	-
Board of Library Commissioners.....	16,500	-	-	-
Comptroller.....	674	-	-	-
Administration and Finance.....	546,865	-	-	336
Energy and Environmental Affairs.....	158,314	-	375	7,409
Health and Human Services.....	28,592	-	-	-
Massachusetts Department of Transportation.....	103,801	-	-	871,855
Executive Office of Education.....	28,774	-	-	-
Public Safety and Homeland Security.....	36,691	-	-	-
Housing and Economic Development.....	212,629	-	-	33,060
Labor and Workforce Development.....	2,068	-	-	-
Debt service:				
Principal retirement.....	-	-	-	-
Interest and fiscal charges.....	-	-	-	-
Total expenditures.....	<u>1,165,025</u>	<u>-</u>	<u>375</u>	<u>912,930</u>
Other financing uses:				
Principal on current refundings.....	67,613	-	2,229	99,507
Fringe benefit cost assessment.....	11,041	-	-	26,055
State share of federal highway construction.....	-	-	-	38,619
Total other financing uses.....	<u>78,654</u>	<u>-</u>	<u>2,229</u>	<u>164,181</u>
Total expenditures and other financing uses.....	<u>1,243,679</u>	<u>-</u>	<u>2,604</u>	<u>1,077,111</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....				
	(228,708)	-	(19)	(402,806)
Fund balance (deficit) at beginning of year.....	(188,684)	8,393	(135)	(64,221)
Fund balance (deficit) at end of year.....	<u>\$ (417,392)</u>	<u>\$ 8,393</u>	<u>\$ (154)</u>	<u>\$ (467,027)</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)	
				2013	2012
\$ 8,768	\$ -	\$ -	\$ -	\$ 18,686	\$ 79,732
2,535	-	-	9	2,544	214
-	-	-	146	321	3,080
<u>11,303</u>	<u>-</u>	<u>-</u>	<u>155</u>	<u>21,551</u>	<u>83,026</u>
-	269	28	-	1,470,474	1,340,367
-	-	-	-	-	419,260
-	-	-	-	41,499	161,574
-	-	1,811	58,636	230,539	479,564
-	-	-	-	-	32,252
430,022	-	-	-	430,022	481,145
38,619	-	-	-	38,619	121,681
<u>468,641</u>	<u>269</u>	<u>1,839</u>	<u>58,636</u>	<u>2,211,153</u>	<u>3,035,843</u>
<u>479,944</u>	<u>269</u>	<u>1,839</u>	<u>58,791</u>	<u>2,232,704</u>	<u>3,118,869</u>
-	-	-	-	9,785	20,688
-	-	-	-	1,528	1,572
-	-	-	-	13,990	150,640
-	-	-	-	988	489
1	-	-	-	471	1,263
-	-	-	-	3,626	4,329
-	-	-	-	16,500	9,841
-	-	-	-	674	243
512	683	240	-	548,636	578,575
480	-	127	95	166,800	141,995
-	-	-	-	28,592	24,657
467,874	-	-	16,735	1,460,265	1,562,546
-	-	-	-	28,774	58,095
-	-	-	-	36,691	36,411
-	-	-	-	245,689	230,991
-	-	-	-	2,068	1,454
-	-	-	-	-	109,000
-	-	-	-	-	9,668
<u>468,867</u>	<u>683</u>	<u>367</u>	<u>16,830</u>	<u>2,565,077</u>	<u>2,942,457</u>
-	-	1,811	58,636	229,796	388,049
7,519	-	-	-	44,615	56,569
-	-	-	-	38,619	121,681
<u>7,519</u>	<u>-</u>	<u>1,811</u>	<u>58,636</u>	<u>313,030</u>	<u>566,299</u>
<u>476,386</u>	<u>683</u>	<u>2,178</u>	<u>75,466</u>	<u>2,878,107</u>	<u>3,508,756</u>
3,558	(414)	(339)	(16,675)	(645,403)	(389,887)
-	-	12	53,986	(190,649)	199,238
<u>\$ 3,558</u>	<u>\$ (414)</u>	<u>\$ (327)</u>	<u>\$ 37,311</u>	<u>\$ (836,052)</u>	<u>\$ (190,649)</u>



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# *Supplemental Information*



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, 2013  
(Amounts are in thousands)

This statement is prepared on the statutory basis of accounting pursuant to General Laws Chapter 29, Section 5c, as amended by Section 155 of Chapter 139 of the Acts of 2012, and subsequent acts, which superseded certain parts of Section 5c. It presents information contained in the official books and accounting records of the Commonwealth. Financial statements supporting this calculation are presented in the Financial Section of this report.

	General	Commonwealth Transportation	Massachusetts Tourism	Total
Undesignated Budgeted Fund Balances (Consolidated Net Surplus).....	\$ 35,657	\$ 43,358	\$ 27,785	\$ 106,800
Year-end Transfers to the General Fund to Fund Statutory Allocations.....	71,143	(43,358)	(27,785)	-
<b><u>Disposition of Consolidated Net Surplus per Sec. 155 of Chapter 139 of the Acts of 2012, as Amended:</u></b>				
\$25 million to the Massachusetts Community Preservation Trust Fund.....	(25,000)	-	-	(25,000)
\$19.5 million to the Massachusetts Life Sciences Investment Fund.....	(19,500)	-	-	(19,500)
\$10 million to the Housing Preservation and Stabilization Trust Fund.....	(10,000)	-	-	(10,000)
\$11.5 million to the Department of Early Education and Care.....	(11,500)	-	-	(11,500)
\$11.5 million to provide human and social service providers for a one-time reserve payment.....	(11,500)	-	-	(11,500)
\$7.5 million to the Social Innovation Financing Trust Fund.....	(7,500)	-	-	(7,500)
\$21.8 million for information technology operating expenses.....	(21,800)	-	-	(21,800)
<b>Remaining Consolidated Net Surplus to be Deposited in Stabilization Fund per Sec. 155 of Ch. 139 of the Acts of 2012, as Amended.....</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>Stabilization Balance Reconciliation:</u></b>				
Balance as of July 1, 2012.....				\$ 1,652,118
Capital Gains Tax Transfers to Stabilization Fund during FY 2013 per Chapter 29, Section 5G.....				467,500
Judgments and Settlements In Excess of \$10 Million Transferred to Stabilization Fund per Ch. 29, Section 2H, Adjusted to Bring Consolidated Net Surplus to \$106.8 Million.....				32,497
Investment income, certain tax revenues and other recoveries.....				8,418
Change in Market Value from General Fund per Sec.160 of Ch. 139 of the Acts of 2012.....				(1,804)
Less Transfers from Stabilization Fund:				
Investment Income to General Fund per Sec.160 of Ch. 139 of the Acts of 2012.....			(5,322)	
5% Capital Gains Tax Transfer to the State Retiree Benefits Trust Fund per Chapter 29, Section 5G.....			(23,375)	
5% Capital Gains Tax Transfer to the State Pension Liability Fund per Chapter 29, Section 5G.....			(23,375)	
To General Fund Per Sec. 16 of Ch. 3 of the Acts of 2013.....			(550,000)	
Total Transfers from Stabilization Fund during FY 2013.....			(602,072)	(602,072)
Remaining Consolidated Net Surplus Deposited in Stabilization Fund, per Calculation Above.....				-
<b>Stabilization Fund Balance as of June 30, 2013.....</b>				<b>\$ 1,556,657</b>

## Calculation Of Transfers: Tax Reduction Fund

June 30, 2013  
(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.....	\$ 1,556,657
Allowable Stabilization Fund balance (per Schedule B).....	<u>5,066,844</u>
Stabilization Fund excess, if any, transferable to Tax Reduction Fund.....	<u>\$ -</u>

Part 2: Status of Stabilization Fund after transfers:

Stabilization Fund balance.....	\$ 1,556,657
Transfer to Tax Reduction Fund.....	<u>-</u>
Stabilization Fund balance after transfer to Tax Reduction Fund.....	<u>\$ 1,556,657</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**  
**FY2013 Tax Revenues By Revenue Class and**  
**Calculation of Allowable Net Surplus**

June 30, 2013  
(Amounts in thousands)

Alcoholic beverages.....	\$	76,313
Banks: financial institutions.....		78,007
Cigarette.....		440,079
Cigarette excise - Commonwealth Care.....		118,218
Corporations.....		1,821,950
Deeds.....		188,867
Estate and inheritance.....		313,394
Health care coverage penalty - Commonwealth Care.....		23,070
Income.....		12,830,920
Insurance.....		373,141
Motor and special fuels.....		651,375
Public utilities*.....		(11,508)
Room occupancy.....		193,346
Sales and use.....		5,184,312
Club alcoholic beverages.....		1,044
Motor vehicle excise.....		73
Convention center surcharges.....		14,020
Community preservation.....		30,598
Satellite.....		11,392
State racing - Mass Gaming Commission.....		1,830
Beano.....		1,708
Raffles and bazaars.....		918
Boxing.....		44
DOI excess and surplus lines.....		30,646
UI surcharge.....		22,202
		22,395,959
FY 2013 state tax revenue.....	\$	22,395,959
0.5% of total tax revenue - <i>not applicable for FY2013 per Chapter 38, Section 145</i> <i>of the Acts of 2013</i> .....		111,980
Allowable consolidated net surplus.....	\$	111,980

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, 2013  
(Amounts in thousands)

Total budgeted revenues and other financial resources pertaining to the budgeted funds.....	\$	35,235,518
Elimination of budgetary interfund activity exclusive of fund closure (per Schedule C).....		<u>(1,456,561)</u>
Budgeted revenues and other financial resources pertaining to the budgeted funds.....		<u>33,778,957</u>
Allowable Stabilization Fund balance, 15% of budgeted revenue.....	\$	<u><u>5,066,844</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, 2013  
(Amounts in thousands)

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Adjustments to revenues :	
Transfer to the Intragovernmental Service Fund Revenues.....	\$ (316,540)
Adjustments to other financing sources and uses:	
Fringe benefit cost assessments.....	(2,460)
Transfer from the Intragovernmental Service Fund to the General Fund.....	(7,915)
RMV license-plates.....	(3,011)
Transfer to Stabilization Fund from General Fund.....	(499,998)
Transfer to fund the General Fund consolidated net surplus calculation.....	(71,143)
Transfer to Budgeted Funds from Stabilization Fund.....	(555,322)
Other.....	<u>(172)</u>
Elimination of budgetary interfund activity	<u><u>\$ (1,456,561)</u></u>

## Schedule D Calculation of Transfers: Temporary Holding Fund

June 30, 2013  
(Amounts in thousands)

This statement is prepared on the statutory basis of accounting pursuant to the Massachusetts 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.

Section 118 of Chapter 165 of the Acts of 2012 (the Act), repealed the Temporary Holding Fund effective January 1, 2013. This schedule reports the calculation for periods prior to the effective date of this change. The Commissioner of Revenue's Certification is usually prepared in the month following the end of the quarter. The Act went into effect prior to the certification by the Commissioner of Revenue, therefore, only the first quarter of FY2013 is presented.

<b>Period Ending:</b>	<u>September 30, 2012</u>
Cumulative net state tax revenues, 2013 .....	\$ 5,151,315
Cumulative net state tax revenues, 2012.....	5,136,829
Permissible growth rate defined as inflation plus 2%, but not less than 0%*.....	4.99%
Permissible state tax revenues defined as cumulative net state tax revenues, 2011 multiplied by 1 plus the permissible growth rate.....	<u>5,393,311</u>
<b>Cumulative net state tax revenues 2013 in excess of permissible state tax revenues.....</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, 2013  
(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 FY13 were (amounts in thousands):

Department Collectors	Collections	Fees
Collecto, Inc.....	\$ 3,094	\$ 529
Allen Daniels.....	1,684	313
Delta.....	607	99
Glenn Associates, Inc.....	594	95 **
NCO.....	205	33 **
Windham Professionals.....	351	56 **
Financial Asset Management Systems, Inc.....	21	3 *
Premier Credit of North America, LLC.....	14	3 *
Linebarger, Goggan, Blair & Sampson LLP.....	4	1 *
<b>Total.....</b>	<b>\$ 6,574</b>	<b>\$ 1,132</b>

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

Department Collectors	Collections	Fees
Collecto, Inc.....	\$ 2,447	\$ 416
Allen Daniels.....	589	96
Delta.....	489	79
Glenn Associates, Inc.....	433	69 **
Windham Professionals.....	146	25 **
NCO.....	75	12 **
Premier Credit of North America, LLC.....	13	2 *
<b>Total.....</b>	<b>\$ 4,192</b>	<b>\$ 699</b>

\* New contractors

\*\* Contractors not renewed under the new contract

## II. Revenue Maximization:

Pursuant to Massachusetts General Law Chapter 29 Section 29E, contractors were engaged on a contingent fee basis to assist several of the Commonwealth's departments in the identification and collection of federal and other non-tax revenues. During FY13, the following amounts were generated (amounts in thousands):

Gross revenue maximization realized.....	\$ 2,120,276
Amounts credited to the federal government.....	(48,303)
Contractor payments.....	<u>(26,466)</u>
<b>Net revenue maximization realized.....</b>	<b>\$ 2,045,507</b>

## 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 FY13, the following amounts were generated (amounts in thousands):

State expenditures avoided.....	\$ 219,733
Amounts credited to the federal government in provider offsets.....	(19,450)
Contractor payments.....	<u>(13,866)</u>
<b>Net cost savings/avoidance.....</b>	<b>\$ 186,417</b>

## 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. FY13 activity (amounts in thousands):

Total Commonwealth intercepts.....	\$ 9,953
Amounts included above that were intercepted on behalf of the Institutions of Higher Education.....	\$ 5,515



## 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, 2013....	\$ 20,317,389	\$ 29,385,442	\$ 9,068,053	69.1%	\$ 5,183,195	175.0%
Actuarial Valuation as of January 1, 2012....	20,507,644	27,784,731	7,277,087	73.8%	4,922,388	147.8%
Actuarial Valuation as of January 1, 2011....	21,244,900	26,242,776	4,997,876	81.0%	4,808,250	103.9%
Actuarial Valuation as of January 1, 2010....	19,019,062	24,862,421	5,843,359	76.5%	4,711,563	124.0%
Actuarial Valuation as of January 1, 2009....	16,992,214	23,723,240	6,731,026	71.6%	4,712,655	142.8%
Actuarial Valuation as of January 1, 2008....	20,400,656	22,820,502	2,419,846	89.4%	4,574,233	52.9%
<b>Teachers' Retirement System</b>						
Actuarial Valuation as of January 1, 2013....	\$ 21,787,470	\$ 39,135,218	\$ 17,347,748	55.7%	\$ 5,783,294	300.0%
Actuarial Valuation as of January 1, 2012....	22,141,475	36,483,027	14,341,552	60.7%	5,655,353	253.6%
Actuarial Valuation as of January 1, 2011....	23,117,952	34,890,991	11,773,039	66.3%	5,558,311	211.8%
Actuarial Valuation as of January 1, 2010....	21,262,462	33,738,966	12,476,504	63.0%	5,509,698	226.4%
Actuarial Valuation as of January 1, 2009....	18,927,731	32,543,782	13,616,051	58.2%	5,389,895	252.6%
Actuarial Valuation as of January 1, 2008....	22,883,553	30,955,504	8,071,951	73.9%	5,163,498	156.3%

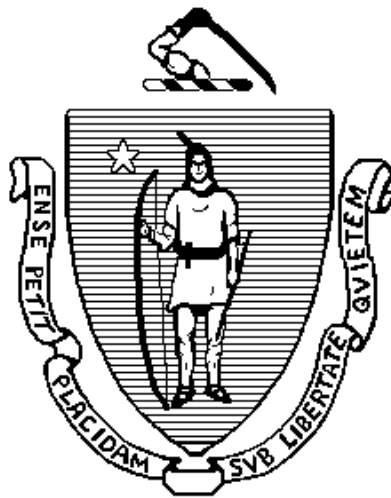
For a complete analysis of the Commonwealth's actuarial valuation report, please go to <http://www.mass.gov/perac>.

Alternatively, copies of the Commonwealth's actuarial valuation may be obtained by contacting the Massachusetts Public Employee Retirement Administration Commission, 5 Middlesex Avenue, Suite 304, Somerville, MA 02145. Telephone number: (617) 666-4446.

### State Retiree Benefits Trust Fund

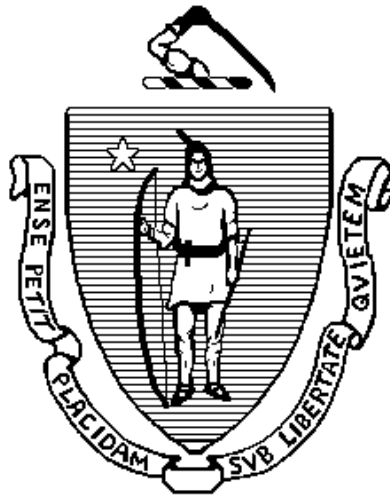
	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Unfunded Actuarial Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Covered Payroll
Actuarial Valuation as of January 1, 2013....	\$ 406,700	\$ 15,784,100	\$ 15,377,400	2.6%	\$ 5,183,195	296.7%
Actuarial Valuation as of January 1, 2012....	360,500	16,659,400	16,298,900	2.2%	4,922,388	331.1%
Actuarial Valuation as of January 1, 2011....	350,500	16,568,600	16,218,100	2.1%	4,808,250	337.3%
Actuarial Valuation as of January 1, 2010....	310,000	15,166,000	14,856,000	2.0%	4,711,563	315.3%
Actuarial Valuation as of January 1, 2009....	273,500	15,305,000	15,031,500	1.8%	4,712,655	319.0%
Actuarial Valuation as of January 1, 2008....	329,000	11,649,000	11,320,000	2.8%	4,574,233	247.5%

For a complete analysis of the Commonwealth's actuarial valuation report, please contact the Office of the State Comptroller, 1 Ashburton Place, 9th Floor, Boston, MA 02108. Telephone number: (617) 727-5000.



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# *Statistical Section*



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

See review report

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

June 30, 2013  
(Amounts in millions)

	2013	%	2012	%	2011	%	2010	%
		Total		Total		Total		Total
Taxes.....	\$ 22,396	43.9	\$ 21,384	42.7	\$ 20,776	38.2	\$ 18,792	40.3
Federal reimbursements.....	9,078	17.8	8,931	17.8	10,151	18.6	9,374	20.1
Federal grants.....	2,396	4.7	2,655	5.3	3,097	5.7	3,134	6.7
Lotteries.....	5,043	9.9	4,941	9.9	4,632	8.5	4,629	9.9
Assessments.....	1,018	2.0	986	2.0	960	1.8	971	2.1
Motor vehicle licenses and registrations.....	487	1.0	474	0.9	497	0.9	463	1.0
Fees, investment earnings, etc.....	3,860	7.5	3,582	7.2	3,462	6.4	2,830	6.0
Proceeds of general and special obligation bonds and related premiums.....	1,512	3.0	1,921	3.8	2,306	4.2	1,672	3.6
Proceeds of refunding bonds.....	231	0.5	480	1.0	947	1.7	538	1.2
Other interfund transfers.....	4,982	9.8	4,731	9.4	7,618	14.0	4,233	9.1
<b>Total revenues and other financing sources.....</b>	<b>\$ 51,003</b>	<b>100.0</b>	<b>\$ 50,085</b>	<b>100.0</b>	<b>\$ 54,446</b>	<b>100.0</b>	<b>\$ 46,636</b>	<b>100.0</b>

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	2009	% Total	2008	% Total	2007	% Total	2006	% Total	2005	% Total	2004	% Total
\$	18,513	38.8	\$ 21,009	44.6	\$ 19,849	44.4	\$ 18,593	43.9	\$ 17,192	40.7	\$ 16,055	36.8
	9,139	19.1	6,937	14.7	6,830	15.3	6,307	14.9	6,018	14.3	6,331	14.5
	2,646	5.5	2,065	4.4	1,989	4.5	2,046	4.8	1,996	4.7	2,024	4.6
	4,649	9.7	4,915	10.4	4,670	10.4	4,739	11.2	4,705	11.2	4,605	10.6
	894	1.9	806	1.7	794	1.8	793	1.9	785	1.9	746	1.7
	383	0.8	376	0.8	374	0.8	361	0.9	401	1.0	376	0.9
	2,800	5.9	3,200	6.8	2,450	5.6	2,891	6.8	2,945	6.8	2,556	5.9
	2,141	4.5	1,306	2.8	1,604	3.6	1,838	4.3	1,354	3.2	1,993	4.6
	390	0.8	-	0.0	1,531	3.4	633	1.5	1,385	3.3	3,302	7.6
	6,197	13.0	6,538	13.9	4,605	10.3	4,145	9.8	5,409	12.8	5,629	12.9
<u>\$</u>	<u>47,752</u>	<u>100.0</u>	<u>\$ 47,152</u>	<u>100.0</u>	<u>\$ 44,696</u>	<u>100.0</u>	<u>\$ 42,346</u>	<u>100.0</u>	<u>\$ 42,190</u>	<u>100.0</u>	<u>\$ 43,617</u>	<u>100.0</u>

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

June 30, 2013  
(Amounts in millions)

	2013	%	2012	%	2011	%	2010	%
		Total		Total		Total		Total
Income.....	\$ 12,831	57.3	\$ 11,911	55.7	\$ 11,576	55.7	\$ 10,110	53.8
Sales and use.....	5,184	23.1	5,079	23.8	4,921	23.7	4,626	24.6
Corporations.....	1,822	8.1	1,771	8.3	1,951	9.4	1,600	8.5
Motor fuels.....	651	2.9	662	3.1	661	3.2	655	3.5
Cigarette.....	440	2.0	451	2.1	454	2.2	456	2.4
Insurance.....	373	1.7	318	1.5	296	1.4	285	1.5
Estate and inheritance.....	313	1.4	293	1.4	310	1.5	221	1.2
Banks: Financial Institutions*.....	78	0.3	267	1.2	(11)	-0.1	235	1.3
Alcoholic beverages.....	77	0.3	77	0.4	73	0.4	72	0.4
Other.....	625	2.7	555	2.5	545	2.6	532	2.8
<b>Total taxes.....</b>	<b>\$ 22,396</b>	<b>100.0</b>	<b>\$ 21,384</b>	<b>100.0</b>	<b>\$ 20,776</b>	<b>100.0</b>	<b>\$ 18,792</b>	<b>100.0</b>

\*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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	2009	% Total	2008	% Total	2007	% Total	2006	% Total	2005	% Total	2004	% Total
\$	10,584	57.2	\$ 12,484	59.4	\$ 11,400	57.4	\$ 10,483	56.4	\$ 9,690	56.4	\$ 8,830	55.0
	3,880	21.0	4,098	19.5	4,076	20.5	4,009	21.6	3,891	22.6	3,743	23.3
	1,549	8.4	1,512	7.2	1,588	8.0	1,391	7.5	1,063	6.2	998	6.2
	654	3.5	673	3.2	676	3.4	672	3.6	685	4.0	684	4.3
	457	2.5	437	2.1	438	2.2	435	2.3	424	2.5	425	2.6
	309	1.7	369	1.8	369	1.9	397	2.1	373	2.2	374	2.3
	260	1.4	254	1.2	250	1.3	196	1.1	255	1.5	195	1.2
	243	1.3	548	2.6	341	1.7	350	1.9	199	1.2	239	1.5
	73	0.4	72	0.3	71	0.4	70	0.4	69	0.4	69	0.4
	504	2.6	562	2.7	640	3.2	590	3.1	543	3.3	498	3.2
<b>\$</b>	<b>18,513</b>	<b>100.0</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>

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

June 30, 2013  
(Amounts in millions)

	2013	%	2012	%	2011	%	2010	%
		Total		Total		Total		Total
Legislature.....	\$ 57	0.1	\$ 58	0.1	\$ 58	0.1	\$ 59	0.1
Judiciary.....	802	1.5	780	1.6	788	1.5	788	1.7
Inspector General.....	6	-	3	-	3	-	4	-
Governor and Lieutenant Governor.....	6	-	7	-	5	-	5	-
Secretary of the Commonwealth.....	50	0.1	43	0.1	46	0.1	54	0.1
Treasurer and Receiver-General.....	5,867	11.3	5,847	11.7	5,610	10.6	5,483	11.5
Auditor of the Commonwealth.....	19	-	18	-	17	-	17	-
Attorney General.....	50	0.1	53	0.1	51	0.1	53	0.1
Ethics Commission.....	2	-	2	-	2	-	2	-
District Attorney.....	108	0.2	101	0.2	97	0.2	96	0.2
Office of Campaign and Political Finance.....	1	-	1	-	3	-	1	-
Sheriff's Departments.....	543	1.0	532	1.1	511	1.0	378	0.8
Disabled Persons Protection Commission.....	2	-	2	-	2	-	2	-
Board of Library Commissioners.....	41	0.1	34	0.1	34	0.1	34	0.1
Massachusetts Gaming Commission.....	14	-	1	-	-	-	-	-
Comptroller.....	14	-	13	-	14	-	15	-
Administration and Finance.....	8,665	16.8	7,456	14.9	7,206	13.7	7,040	14.9
Energy and Environmental Affairs.....	490	0.9	456	0.9	482	0.9	529	1.1
Housing and Community Development.....	-	-	-	-	-	-	-	-
Health and Human Services.....	17,447	33.7	17,632	35.2	17,737	33.5	16,044	33.8
Transportation and Public Works.....	-	-	-	-	-	-	509	1.1
Massachusetts Department of Transportation..	2,439	4.7	2,323	4.6	2,278	4.3	1,542	3.2
Executive Office of Education.....	2,952	5.7	3,030	6.0	3,225	6.1	3,184	6.7
Center for Health Information and Analysis...	9	-	-	-	-	-	-	-
Public Safety and Homeland Security.....	1,324	2.6	1,236	2.5	1,172	2.2	1,308	2.7
Housing and Economic Development .....	1,214	2.3	1,203	2.4	1,283	2.4	1,245	2.6
Labor and Workforce Development.....	300	0.6	390	0.8	428	0.8	403	0.8
Post employment benefits.....	1,967	3.8	1,892	3.8	1,839	3.5	1,749	3.7
Debt service.....	2,351	4.5	2,272	4.5	2,128	4.0	2,117	4.5
Payments to advance refunding escrow								
agent/Principal on current refunding.....	230	0.4	388	0.8	540	1.0	538	1.1
Other fund deficit support.....	-	-	-	-	-	-	-	-
Other interfund transfers.....	4,775	9.2	4,352	8.7	7,337	13.9	4,373	9.2
Total expenditures and other financing uses....	<u>\$ 51,745</u>	<u>100.0</u>	<u>\$ 50,125</u>	<u>100.0</u>	<u>\$ 52,896</u>	<u>100.0</u>	<u>\$ 47,572</u>	<u>100.0</u>

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

For fiscal years 2009 to 2013, this schedule reflects Budgeted, Non-Budgeted and Capital Projects expenditures and other financing uses only.



2009	% Total	2008	% Total	2007	% Total	2006	% Total	2005	% Total	2004	% Total
\$ 60	0.1	\$ 58	0.1	\$ 59	0.2	\$ 55	0.1	\$ 54	0.1	\$ 51	0.1
814	1.6	831	1.7	788	1.8	672	1.6	634	1.5	599	1.4
3	-	3	-	3	-	3	-	4	-	2	-
8	-	9	-	5	-	5	-	5	-	5	-
53	0.1	53	0.1	55	0.1	45	0.1	50	0.1	45	0.1
6,043	12.2	5,640	11.8	5,267	11.7	5,635	13.6	5,760	13.7	4,600	11.1
20	-	19	-	18	-	19	-	18	-	16	-
57	0.1	56	0.1	52	0.1	49	0.1	45	0.1	44	0.1
2	-	2	-	2	-	1	-	2	-	1	-
104	0.2	104	0.2	96	0.2	88	0.2	82	0.2	81	0.2
1	-	1	-	2	-	1	-	1	-	1	-
295	0.6	296	0.7	275	0.6	251	0.6	226	0.5	218	0.5
3	-	2	-	2	-	2	-	2	-	2	-
48	0.1	46	0.1	42	0.1	49	0.1	47	0.1	48	0.1
-	-	-	-	-	-	-	-	-	-	-	-
14	-	14	-	14	-	14	0.0	21	-	35	0.1
6,892	14.2	7,059	14.8	7,043	15.7	6,601	16.1	6,235	14.8	6,184	15.0
526	1.1	473	1.0	450	1.0	390	0.9	346	0.8	336	0.8
-	-	-	-	509	1.1	659	1.6	597	1.4	589	1.4
16,468	33.3	15,504	32.5	14,456	32.2	13,539	32.6	13,383	31.8	12,504	30.1
1,689	3.4	1,378	2.9	1,404	3.1	1,376	3.3	1,569	3.7	1,586	3.8
-	-	-	-	-	-	-	-	-	-	-	-
3,390	6.9	2,989	6.3	2,936	6.5	2,726	6.6	2,250	5.4	2,481	6.0
-	-	-	-	-	-	-	-	-	-	-	-
1,456	2.9	1,381	2.9	1,253	2.8	1,180	2.8	1,111	2.6	1,160	2.8
981	2.0	857	1.8	508	1.1	323	0.8	299	0.7	326	0.8
331	0.7	274	0.6	67	0.1	-	-	-	-	-	-
1,314	2.7	1,399	2.9	1,335	3.0	1,275	3.1	1,217	2.9	702	1.7
2,145	4.3	2,239	4.7	2,352	5.2	2,028	4.9	1,719	4.1	1,605	3.9
-	-	-	-	1,531	3.4	633	1.5	1,153	2.7	2,833	6.8
220	0.4	1,593	3.3	-	-	-	-	-	-	-	-
6,456	13.1	5,403	11.3	4,383	9.8	3,887	9.4	5,197	12.4	5,503	13.2
<u>\$ 49,393</u>	<u>100.0</u>	<u>\$ 47,683</u>	<u>100.0</u>	<u>\$ 44,907</u>	<u>100.0</u>	<u>\$ 41,506</u>	<u>100.0</u>	<u>\$ 42,027</u>	<u>100.0</u>	<u>\$ 41,556</u>	<u>100.0</u>

**Ten-Year Schedule of Budgeted Funds Expenditures and Other Financing Uses By  
Major Program Category**  
June 30, 2013  
(Amounts in millions)

	2013	2012	2011	2010	2009	2008*	2007	2006	2005	2004
Direct local aid.....	\$ 5,116	\$ 4,929	\$ 4,785	\$ 4,837	\$ 4,724	\$ 5,040	\$ 5,033	\$ 4,619	\$ 4,477	\$ 4,784
Medicaid**.....	10,800	10,431	10,237	9,287	8,537	8,104	7,413	6,726	5,857	5,742
Other Health and Human Services.....	4,769	4,711	4,615	4,616	4,970	5,014	-	-	-	-
Public Assistance.....	-	-	-	-	-	-	1,258	1,129	1,095	1,019
Elementary and Secondary Education.....	489	436	349	358	496	486	-	-	-	-
Higher Education.....	991	937	943	846	1,036	1,085	1,116	988	915	831
Early education and care.....	483	494	515	513	560	550	-	-	-	-
Public Safety and Homeland Security.....	960	930	905	1,053	1,224	1,265	-	-	-	-
Energy and Environmental Affairs.....	202	187	186	202	216	227	-	-	-	-
MBTA and regional transit authorities.....	-	-	-	-	-	-	52	50	49	53
Post employment benefits.....	1,967	1,892	1,839	1,749	1,314	1,399	1,335	1,275	1,217	702
Group health insurance.....	1,278	1,206	1,130	1,064	973	853	1,022	964	846	788
Debt service.....	2,117	1,923	1,664	1,860	1,891	1,868	2,085	1,666	1,581	1,420
<b>Major programs.....</b>	<b>29,172</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>
Other program expenditures.....	3,007	2,899	2,851	2,999	2,762	2,739	8,343	7,777	7,247	6,819
Interfund transfers and other financing uses.....	3,172	2,515	5,520	1,810	3,867	4,405	1,819	1,749	2,726	2,749
<b>Total expenditures and other financing uses.....</b>	<b>\$ 35,351</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>

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

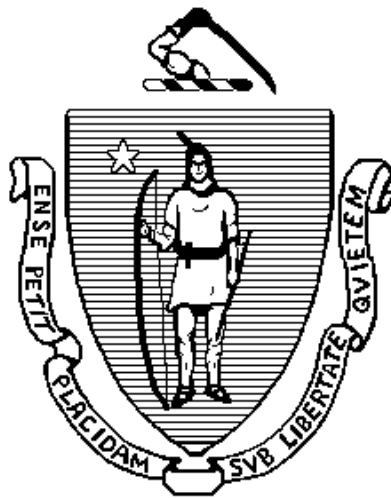
\*\* Exclusive of Non-Budgeted Medicaid spending from FY03 through FY2007 within the Health Care Quality Improvement Fund, totaling \$201 million, \$288 million, \$292 million, \$292 million and \$290 million in FY03 through FY07, respectively.

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

Fiscal Year Ended June 30, 2013  
(Amounts in millions)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General obligation bonds.....	\$19,140	\$18,852	\$18,517	\$17,683	\$17,052	\$ 16,085	\$ 16,033	\$ 15,393	\$ 14,492	\$ 14,143
Grant anticipation notes*.....	449	610	766	991	1,134	1,536	1,666	1,789	1,907	1,907
Special obligation bonds.....	1,924	1,972	1,592	1,053	1,079	1,113	1,249	1,279	1,458	1,332
Commonwealth long-term bonds..	\$ 21,513	\$ 21,434	\$ 20,875	\$ 19,727	\$ 19,265	\$ 18,734	\$ 18,948	\$ 18,461	\$ 17,857	\$ 17,382

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



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# **HIGHER EDUCATION NON- APPROPRIATED ACTIVITY**

The Commonwealth's Public Institutions of Higher Education are allowed, by their enabling statutes, to collect, retain, and expend certain fees, rents, donations and other types of revenue. These financial resources are important elements in the overall financial operations of the respective institutions, and are in addition to amounts made available from appropriations. The Public Institutions of Higher Education include:

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

*State University Systems* – The State College and University Systems include the three state colleges, and six state universities, which provide four-year post-secondary education programs. These include:

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

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

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

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

Fiscal Year Ended June 30, 2013  
(Amounts in thousands)

	University of Massachusetts	State Universities and Colleges	Community Colleges	Totals	
				2013	2012
<b>Revenues and other financing sources</b>					
Federal grants and reimbursements.....	\$ 379,593	\$ 51,260	\$ 179,140	\$ 609,993	\$ 638,698
Departmental revenue.....	1,164,742	415,753	397,147	1,977,642	1,821,568
Miscellaneous revenue.....	1,046,438	376,968	321,094	1,744,500	1,636,751
Total revenues and other financing sources.....	<u>2,590,773</u>	<u>843,981</u>	<u>897,381</u>	<u>4,332,135</u>	<u>4,097,017</u>
<b>Expenditures and other financing uses</b> (by MMARS subsidiary):					
AA Regular employee compensation.....	646,668	155,318	200,100	1,002,086	930,639
BB Regular employee related expenses.....	22,197	4,542	4,126	30,865	30,843
CC Special employees and contracted services.....	234,688	120,422	211,971	567,081	547,044
DD Pension and insurance.....	171,950	37,340	38,687	247,977	286,344
EE Administrative expenditures.....	220,797	63,123	85,736	369,656	363,385
FF Facility operational supplies.....	174,451	13,063	24,236	211,750	225,595
GG Energy costs and space rental.....	138,844	31,794	25,660	196,298	183,593
HH Consultant services.....	216,577	13,082	12,837	242,496	219,995
JJ Operational services.....	39,577	33,621	8,169	81,367	76,893
KK Equipment purchase.....	21,517	7,641	9,279	38,437	41,507
LL Equipment leases, maintenance and repair.....	21,598	7,419	6,884	35,901	36,341
MM Purchased client services and programs.....	31,631	2,844	3,577	38,052	25,416
NN Construction and improvements.....	130,151	58,262	17,776	206,189	150,023
PP Aid to local governments.....	1	77	308	386	416
RR Benefit programs.....	224,358	75,803	171,051	471,212	423,746
SS Debt payment.....	1,338	9,702	2,912	13,952	9,809
TT Loans and special payments.....	188,250	140,906	30,789	359,945	345,889
UU Information technology (IT) expenses .....	71,055	24,957	38,201	134,213	130,570
Total expenditures and other financing uses.....	<u>2,555,648</u>	<u>799,916</u>	<u>892,299</u>	<u>4,247,863</u>	<u>4,028,048</u>
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses.....	35,125	44,065	5,082	84,272	68,969
Fund balance at beginning of year.....	808,089	308,677	273,473	1,390,239	1,321,270
Fund balance at end of year.....	<u>\$ 843,214</u>	<u>\$ 352,742</u>	<u>\$ 278,555</u>	<u>\$ 1,474,511</u>	<u>\$ 1,390,239</u>

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

Fiscal Year Ended June 30, 2013  
(Amounts in thousands)

	<u>2013</u>	<u>2012</u>
<b>Revenues and other financing sources</b>		
Federal grants and reimbursements.....	\$ 379,593	\$ 404,707
Departmental revenue.....	1,164,742	1,061,880
Miscellaneous revenue.....	<u>1,046,438</u>	<u>1,015,762</u>
Total revenues and other financing sources.....	<u>2,590,773</u>	<u>2,482,349</u>
<b>Expenditures and other financing uses</b>		
(by MMARS subsidiary):		
AA Regular employee compensation.....	646,668	612,273
BB Regular employee related expenses.....	22,197	22,529
CC Special employees and contracted services.....	234,688	228,776
DD Pension and insurance.....	171,950	201,411
EE Administrative expenditures.....	220,797	224,678
FF Facility operational supplies.....	174,451	190,713
GG Energy costs and space rental.....	138,844	130,107
HH Consultant services.....	216,577	198,014
JJ Operational services.....	39,577	39,118
KK Equipment purchase.....	21,517	25,443
LL Equipment leases, maintenance and repair.....	21,598	22,818
MM Purchased client services and programs.....	31,631	18,352
NN Construction and improvements.....	130,151	98,858
RR Benefit programs.....	224,358	174,080
SS Debt payment.....	1,338	362
TT Loans and special payments.....	188,250	176,505
UU Information technology (IT) expenses .....	<u>71,055</u>	<u>77,821</u>
Total expenditures and other financing uses.....	<u>2,555,648</u>	<u>2,441,858</u>
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses.....	35,125	40,491
Fund balance at beginning of year.....	<u>808,089</u>	<u>767,598</u>
Fund balance at end of year.....	<u>\$ 843,214</u>	<u>\$ 808,089</u>

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

Fiscal Year Ended June 30, 2013  
(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.....	\$ 13,058	\$ 5,053	\$ 6,632	\$ 2,436
Departmental revenue.....	107,116	44,362	47,402	26,367
Miscellaneous revenue.....	69,856	47,309	44,017	17,587
<b>Total revenues and other financing sources.....</b>	<b>190,030</b>	<b>96,724</b>	<b>98,051</b>	<b>46,390</b>
<b>Expenditures and other financing uses</b> (by MMARS subsidiary):				
AA Regular employee compensation.....	55,996	8,575	15,473	10,025
BB Regular employee related expenses.....	1,312	416	362	407
CC Special employees and contracted services.....	37,533	10,028	11,869	5,710
DD Pension and insurance.....	14,709	2,233	3,823	1,014
EE Administrative expenditures.....	9,318	32,427	734	2,279
FF Facility operational supplies.....	1,841	1,709	1,241	1,137
GG Energy costs and space rental.....	5,698	3,138	4,581	1,663
HH Consultant services.....	3,344	1,271	645	1,655
JJ Operational services.....	10,435	5,899	1,124	1,961
KK Equipment purchase.....	3,120	704	1,064	552
LL Equipment leases, maintenance and repair.....	2,272	840	770	252
MM Purchased client services and programs.....	1,273	323	211	-
NN Construction and improvements.....	5,305	2,711	23,515	5,360
PP Aid to local governments.....	-	77	-	-
RR Benefit programs.....	19,573	7,082	8,798	6,520
SS Debt payment.....	1,132	40	-	-
TT Loans and special payments.....	13,898	10,762	16,978	6,907
UU Information technology (IT) expenses.....	4,578	3,067	3,254	2,011
<b>Total expenditures and other financing uses.....</b>	<b>191,337</b>	<b>91,302</b>	<b>94,442</b>	<b>47,453</b>
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses...	(1,307)	5,422	3,609	(1,063)
Fund balance at beginning of year.....	35,914	41,209	48,430	15,163
Fund balance at end of year.....	<b>\$ 34,607</b>	<b>\$ 46,631</b>	<b>\$ 52,039</b>	<b>\$ 14,100</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	
					2013	2012
\$ 1,137	\$ 3,300	\$ 11,755	\$ 271	\$ 7,618	\$ 51,260	\$ 49,182
29,347	22,016	18,549	52,759	67,835	415,753	392,689
15,190	13,303	119,675	17,892	32,139	376,968	336,813
<u>45,674</u>	<u>38,619</u>	<u>149,979</u>	<u>70,922</u>	<u>107,592</u>	<u>843,981</u>	<u>778,684</u>
9,332	9,816	25,001	2,816	18,284	155,318	143,177
776	421	208	36	604	4,542	4,621
5,999	7,123	16,875	7,775	17,510	120,422	115,910
1,524	1,034	6,893	422	5,688	37,340	42,413
1,180	2,446	9,020	3,096	2,623	63,123	62,007
938	590	2,752	1,727	1,128	13,063	13,183
2,311	1,776	4,553	3,004	5,070	31,794	29,302
673	1,434	1,709	1,404	947	13,082	12,259
7,315	3,662	1,382	721	1,122	33,621	30,037
407	202	529	545	518	7,641	6,792
564	619	460	953	689	7,419	7,812
-	-	563	-	474	2,844	3,066
8,440	1,698	4,357	2,130	4,746	58,262	31,927
-	-	-	-	-	77	93
1,107	5,955	7,978	9,431	9,359	75,803	80,808
-	40	-	333	8,157	9,702	7,623
4,286	1,610	58,643	4,868	22,954	140,906	141,038
2,018	1,012	4,126	2,192	2,699	24,957	19,298
<u>46,870</u>	<u>39,438</u>	<u>145,049</u>	<u>41,453</u>	<u>102,572</u>	<u>799,916</u>	<u>751,366</u>
(1,196)	(819)	4,930	29,469	5,020	44,065	27,318
<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>
<u>\$ 16,968</u>	<u>\$ 14,229</u>	<u>\$ 38,781</u>	<u>\$ 92,618</u>	<u>\$ 42,770</u>	<u>\$ 352,742</u>	<u>\$ 308,677</u>

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

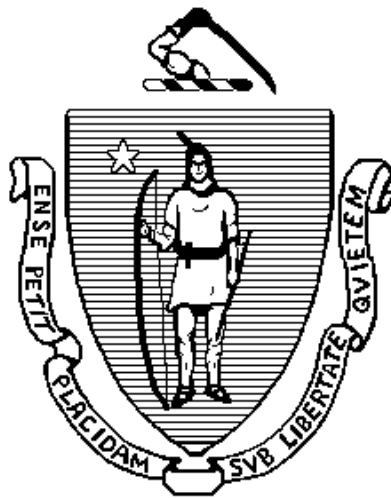
Fiscal Year Ended June 30, 2013

(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.....	\$ 4,500	\$ 26,765	\$ 9,635	\$ 5,583	\$ 6,407	\$ 13,860	\$ 17,618
Departmental revenue.....	11,508	66,611	5,977	12,159	19,933	15,257	31,035
Miscellaneous revenue.....	7,569	30,389	52,324	15,088	7,716	18,569	21,239
Total revenues and other financing sources.....	23,577	123,765	67,936	32,830	34,056	47,686	69,892
<b>Expenditures and other financing uses</b>							
(by MMARS subsidiary):							
AA Regular employee compensation.....	4,687	40,036	16,388	6,246	9,858	7,285	12,874
BB Regular employee related expenses.....	108	163	430	161	663	431	103
CC Special employees and contracted services.....	6,126	17,098	27,595	9,796	6,790	8,965	18,823
DD Pension and insurance.....	1,333	2,564	4,759	2,035	2,703	1,896	3,826
EE Administrative expenditures.....	1,137	2,846	1,617	1,271	763	1,714	1,875
FF Facility operational supplies.....	853	1,293	845	512	805	3,463	1,437
GG Energy costs and space rental.....	717	2,021	2,591	1,257	1,241	1,102	1,204
HH Consultant services.....	243	574	539	223	599	276	295
JJ Operational services.....	520	1,887	513	308	752	847	277
KK Equipment purchase.....	97	1,813	746	759	81	269	355
LL Equipment leases, maintenance and repair.....	145	853	214	94	248	164	600
MM Purchased client services and programs.....	30	440	748	-	9	16	511
NN Construction and improvements.....	413	3,065	1,874	2,380	301	1,016	2,136
PP Aid to local governments.....	-	-	165	-	-	-	1
RR Benefit programs.....	6,494	27,604	7,506	7,179	7,875	16,208	13,129
SS Debt payment.....	23	245	-	-	-	196	550
TT Loans and special payments.....	246	175	438	223	155	161	5,931
UU Information technology (IT) expenses.....	798	4,003	1,592	1,033	612	2,376	2,102
Total expenditures and other financing uses.....	23,970	106,680	68,560	33,477	33,455	46,385	66,029
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses.....	(393)	17,085	(624)	(647)	601	1,301	3,863
Fund balance at beginning of year.....	3,235	23,916	15,385	17,743	678	11,171	18,962
Fund balance at end of year.....	\$ 2,842	\$ 41,001	\$ 14,761	\$ 17,096	\$ 1,279	\$ 12,472	\$ 22,825

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	
								2013	2012
\$ 5,861	\$ 21,087	\$ 819	\$ 13,699	\$ 16,970	\$ 15,542	\$ 5,430	\$ 15,364	\$ 179,140	\$ 184,809
20,190	33,368	30,924	43,048	30,542	44,354	1,872	30,369	397,147	366,999
13,931	33,548	19,424	26,344	19,175	9,622	32,717	13,439	321,094	284,176
39,982	88,003	51,167	83,091	66,687	69,518	40,019	59,172	897,381	835,984
4,402	24,089	24,982	6,840	26,026	12,141	2,030	2,216	200,100	175,189
139	559	279	38	182	449	73	348	4,126	3,693
13,273	26,394	7,862	7,690	8,324	14,182	29,880	9,173	211,971	202,358
1,935	6,920	1,996	1,830	2,212	3,357	592	729	38,687	42,520
19,716	3,473	1,826	41,617	1,965	2,591	707	2,618	85,736	76,700
504	1,605	1,297	9	3,631	5,122	1,217	1,643	24,236	21,699
2,203	6,327	1,990	72	1,363	1,155	870	1,547	25,660	24,184
-	2	504	37	1,334	5,850	819	1,542	12,837	9,722
-	-	366	41	229	301	747	1,381	8,169	7,738
-	666	1,008	7	346	447	343	2,342	9,279	9,272
-	531	1,160	5	145	1,022	162	1,541	6,884	5,711
280	-	753	-	202	-	-	588	3,577	3,998
2,277	-	267	220	1,409	1,440	360	618	17,776	19,238
-	-	112	-	-	-	28	2	308	323
6,031	294	4,356	24,675	14,718	17,494	325	17,163	171,051	168,858
89	-	351	-	1,458	-	-	-	2,912	1,824
119	20,660	1,879	163	176	283	180	-	30,789	28,346
19,891	81	48	72	1,883	3,089	560	61	38,201	33,451
70,859	91,601	51,036	83,316	65,603	68,923	38,893	43,512	892,299	834,824
(30,877)	(3,598)	131	(225)	1,084	595	1,126	15,660	5,082	1,160
42,750	8,597	7,519	8,588	12,179	3,568	16,053	83,130	273,473	272,313
\$ 11,873	\$ 4,999	\$ 7,650	\$ 8,363	\$ 13,263	\$ 4,163	\$ 17,179	\$ 98,790	\$ 278,555	\$ 273,473



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