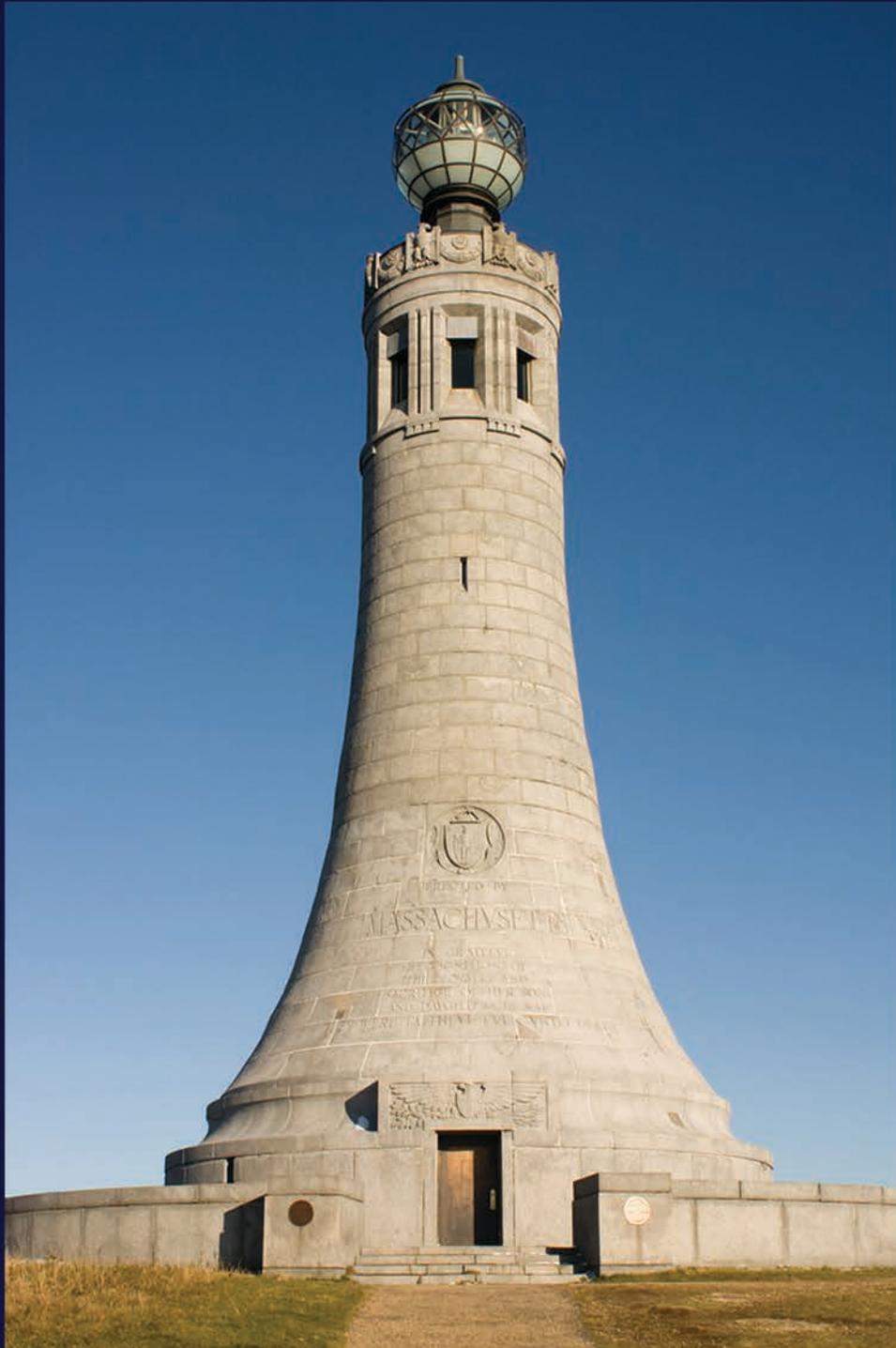


# Commonwealth of Massachusetts



Massachusetts Veterans War Memorial Tower atop Mt. Greylock in Berkshire County.

## STATUTORY BASIS FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2015



THOMAS G. SHACK III, ESQ.  
COMPTROLLER



# Commonwealth of Massachusetts



## Statutory Basis Financial Report

*For the Fiscal Year Ended June 30, 2015*

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

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

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

Massachusetts Veterans War Memorial Tower atop Mt. Greylock in Berkshire County

Photo courtesy of Jared Huckle

# Statutory Basis Financial Report

For the Fiscal Year Ended June 30, 2015

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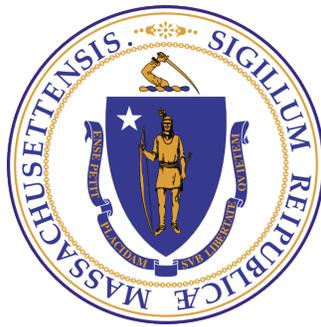
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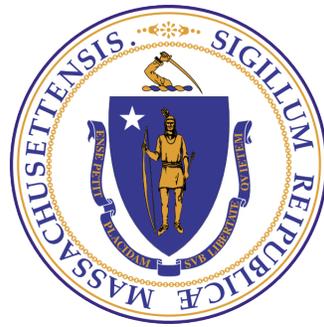
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# *Introductory Section*



Comptroller's Letter  
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Advisory Board to the Comptroller  
Acknowledgements



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The Commonwealth of Massachusetts  
Office of the Comptroller

November 10, 2015

The People of Massachusetts  
His Excellency Charles D. Baker, Governor  
Senator Karen E. Spilka, Chair of the Senate Committee on Ways and Means  
Representative Brian S. Dempsey, Chair of the House Committee on Ways and Means  
Secretary Kristen Lepore, Executive Office of Administration and Finance

I am pleased to present the Statutory Basis Financial Report (SBFR) for the fiscal year ended June 30, 2015.

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

In my opinion, the SBFR provides an independent and unbiased accounting of Commonwealth revenues and expenditures as of this date for Fiscal Year 2015. It has also been reviewed in accordance with professional standards established by the American Institute of Certified Public Accountants.

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

As we conclude our review of Fiscal Year 2015, I would like to take the opportunity to acknowledge the remarkable effort and dedication of the Office of the Comptroller staff, who continually support our mission to promote accountability, integrity, and clarity in Commonwealth business, fiscal, and administrative enterprises.

Respectfully,

A handwritten signature in blue ink, appearing to read "Th Shack".

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

## ***Report Summary***

As of June 30, 2015, the Commonwealth had a budgeted fund balance of approximately \$1.571 billion and completed the fiscal year with a consolidated net surplus of \$144 million, sufficient to provide \$10 million to the Massachusetts Community Preservation Trust Fund, \$10 million to the Massachusetts Life Sciences Investment Fund, and transfer \$124 million to the Stabilization (or rainy day) Fund. (The Budgeted Funds – Operations table on page 7 displays the FY15 summary of budgeted funds compared to FY14.) The end of year transfer to the Stabilization Fund resulted in the Fund's balance increasing by \$4 million in FY15, after taking into account all transfers to and from the Fund during the fiscal year. (Details of FY15 Stabilization Fund activity are provided on pages 9 and 123.) The total budgeted fund balance of \$1.571 billion reflects a gain (revenues and other financing sources greater than expenditures and other financing uses) of approximately \$120 million, added to the FY15 beginning balance of \$1.451 billion. This follows an FY14 operating loss of \$424 million. Of the total budgeted fund balance, \$1.252 billion is reserved in the Stabilization Fund, compared to \$1.248 billion at the end of FY14. At the end of FY15, \$226 million is reserved for continuing appropriations (including \$20 million in FY15 end-of-year surplus allocations) and debt service in fiscal year 2016. The remaining undesignated balance of \$92 million is made up of smaller budgeted fund balances.

During FY15, budgeted fund tax revenues increased by \$1.352 billion, or 6.2%, from FY14, as the Massachusetts economy and the state's employment were stronger than the national economy's and capital gains taxes increased due to near-record stock market levels. Before transfers between budgeted funds that do not affect total budgeted fund balances, total budgeted fund revenues and other financing sources increased by \$2.775 billion, or 7.8%. Budgeted fund expenditures and other financing uses increased by \$2.231 billion, or 6.2%, primarily due to increases in Medicaid, employee health insurance costs, and higher contributions to the state pension system to pay down the Commonwealth's unfunded pension liability. A more detailed analysis of revenue and spending changes, as well as the economic factors that affected the budget, is included in the sections that follow.

The General Appropriation Act for FY16 is based on a consensus tax revenue estimate of approximately \$25.479 billion, an increase of \$547 million, or 2.2%, from FY15 actual tax collections. Of that amount, \$21.696 billion represents taxes available for budget after adjusting for \$3.784 billion in total tax revenue that is allocated to state pension contributions (\$1.972 billion), sales tax revenue dedicated to the Massachusetts Bay Transportation Authority (\$985 million) and the Massachusetts School Building Authority (\$804 million) and revenue transferred to the non-budgetary Workforce Training Fund (\$22.4 million). The FY16 tax revenue estimate was further adjusted to \$25.711 billion (including \$100 million in tax settlements), of which \$21.927 billion was available for budget, as a result of several tax law changes included in the FY16 budget or enacted separately. That represented an increase of \$779 million, or 3.1%, from FY15 actual tax collections.

Through October 31, 2015, FY16 year-to-date tax collections totaled \$7.613 billion, up \$304 million, or 4.2% from the same period in FY15, \$126 million above the year-to-date benchmark based on the \$25.711 billion FY16 tax revenue estimate. On October 15, 2015 the Secretary of Administration and Finance reaffirmed the FY16 tax revenue estimate of \$25.711 billion and \$21.927 billion of taxes available for budget, but lowered the FY15 estimate of non-tax revenue by \$145 million.

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

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

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

The SBFR is intended to satisfy the requirements of state finance law and to present the results of FY15 activity in the Commonwealth's funds. The report contains computations required by state finance law, including the certification of, transfers to, and balances in, the Stabilization Fund.

### ***Basis of Accounting and Definition of the Consolidated Net Surplus***

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

The Commonwealth’s statutory basis of accounting defines the “consolidated net surplus” as the ending “undesignated”, or unreserved, balances in specific budgeted funds, that is, those funds subject to the state’s annual appropriation process. The largest of these budgeted funds are the General Fund, which accounts for approximately 93% of total budgeted fund expenditures, and the Commonwealth Transportation Fund, which accounts for approximately 5% of the total state budgeted fund activity. The remaining approximately 2% of budgeted fund activity is comprised of 12 smaller funds, 6 of which by statute are excluded from the consolidated net surplus calculations.

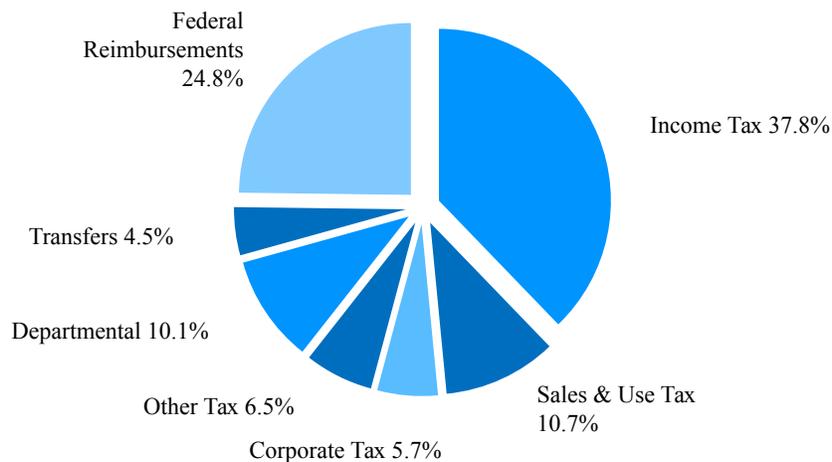
In accordance with Section 12 of Chapter 7A of the Massachusetts General Laws, as amended, the Office of the Comptroller is required to transmit the SBFR by October 31<sup>st</sup> (but November 2<sup>nd</sup> this year as October 31<sup>st</sup> falls on a Saturday). However, due to the fact that the final FY15 supplemental budget bill was not enacted and signed into law until November 2, 2015, this SBFR is being transmitted on November 10, 2015 in order to provide sufficient time to accurately incorporate the bill’s provisions into this report and have the report reviewed by the Commonwealth’s independent auditor. The SBFR for the fiscal year ended June 30, 2015 is reviewed, not audited, by KPMG LLP and represents the closing of the Commonwealth’s books for the fiscal year.

### ***The Economic Context***

The funding available to the Commonwealth to finance its programs is determined in large part by the performance of the state’s economy, most importantly the growth in employment. In FY15, the Commonwealth’s economy continued to perform better than the nation’s economy. Between June 2014 and June 2015, employment (which is the primary driver in the Commonwealth’s largest revenue source, income tax withholding) grew by approximately 114,244 jobs, or 3.4%, compared to employment growth of 2.1% for the United States as a whole over the same period. In June 2015, the Massachusetts unemployment rate was 4.7%, compared to 5.3% nationally.

### ***The Budgeted Funds***

***Budgeted Revenues and  
Other Sources (Total of \$38.2 billion)***



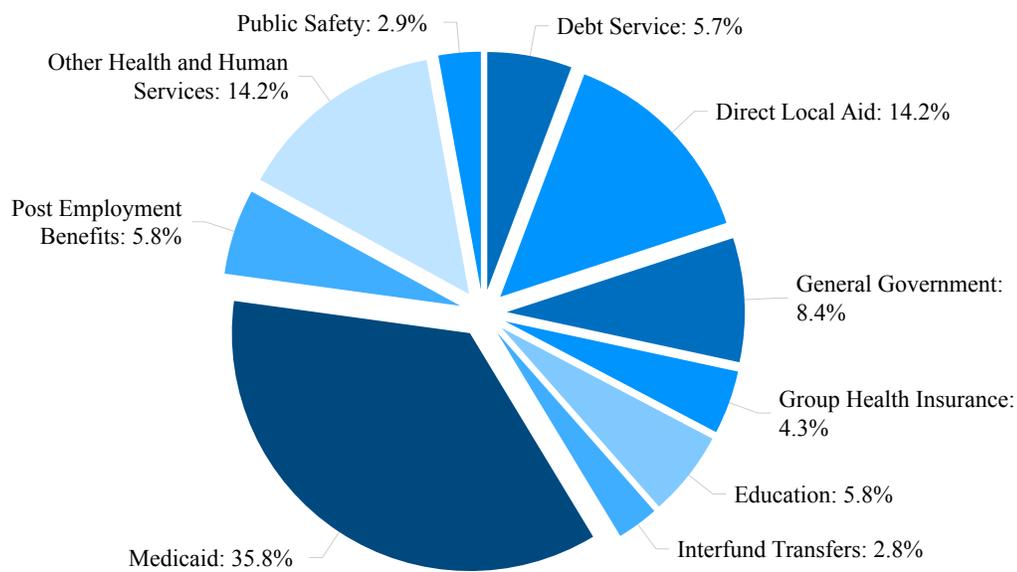
The FY15 General Appropriation Act (GAA) authorized approximately \$36.996 billion in spending, exclusive of approximately \$1.793 billion in required pension contributions and \$176 million in FY14 spending authorized to be continued into FY15 as part of FY14 end-of-year supplemental budgets.

The FY15 budget as enacted by the Legislature was based on an FY15 consensus tax revenue estimate of \$24.337 billion, of which approximately \$22.732 billion was to be credited to the Commonwealth’s budgeted funds after adjusting for \$1.605 billion in tax revenue that is deposited directly into non-budgeted funds for transfers of sales tax revenue dedicated to the Massachusetts Bay Transportation Authority (\$811 million) and the Massachusetts School Building Authority (\$772 million), and revenue deposited in the non-budgeted Workforce Training Fund (\$22 million). The FY15 enacted budget adjusted the estimate to \$24.670 billion, including \$240 million in tax settlements (of which \$23.065 billion was to be deposited in the budgeted funds), due to several tax law changes included in the budget. Both estimates included \$122 million of capital gains revenue that under statute was to be transferred to the Stabilization Fund and would not be available for budgetary purposes.

In January 2015, the FY15 tax revenue estimate was further adjusted downward by \$62 million, to \$24.508 billion, (including \$183 million in settlements revenue, virtually all of which were tax-related), of which \$22.903 billion was to be deposited in the budgeted funds, as a result of a reduction in the income tax rate triggered by revenue growth in FY14 and other tax law changes.

FY15 tax revenues ended the year at \$24.932 billion (including \$215 million in tax settlements), of which \$23.174 billion was deposited in the budgeted funds. Tax revenue deposited in the budgeted funds grew by \$1.352 billion, or 6.2% from FY14, and was \$271 million above the final FY15 tax estimate and \$109 million above the original FY15 tax estimate.

**Budgeted Expenditures and Other Uses (Total of \$38.1 billion )**



Approximately \$1.204 billion in supplemental appropriations were authorized during FY15, \$764 million of which were enacted prior to June 30, 2015. Subsequent to year end, an additional supplemental budget was enacted totaling approximately \$440 million in new and continued appropriations, \$249 million of which was for FY15 expenditures, with the remainder continued to FY16 and reappropriated. The year’s significant supplemental appropriation activity included:

- \$228 million for Medicaid payments to local hospitals that care for lower income residents;

- \$203 million for the costs of health care for beneficiaries covered by the Commonwealth's MassHealth, or Medicaid, program;
- \$190 million for the Group Insurance Commission to pay health care benefits for Commonwealth employees;
- \$113 million to establish a non-budgeted fund to pay FY16 debt service and thereby reduce FY16 budgeted fund debt service expenditures;
- \$52 million for emergency homeless assistance for family shelters and services;
- \$43 million to the Department of Developmental Disabilities for residential and non-residential services provided to the developmentally disabled;
- \$39 million for snow and ice removal and related costs incurred as a result of blizzards during the winter of 2014-15;
- \$35 million to compensate private counsel who defend indigent defendants;
- \$22 million to pay Sheriffs' Department costs;
- \$15 million for a substance abuse treatment program.

In FY15 the previous and current Governor each reduced spending authorizations, or allotments, using their authority under Section 9C of Chapter 29, in order to maintain a balanced budget. Those reductions totaled approximately \$411 million.

In FY15, there were approximately \$1.188 billion in one-time revenues and savings used to balance the Commonwealth's budget, up from approximately \$754 million in FY14 one-time solutions.

Significant FY15 uses of one-time resources included:

- \$621 million in capital gains tax revenue that under statute would have been required to be deposited in the Stabilization Fund (\$559 million), the State Pension Fund (\$31 million), and the State Retiree Benefits Trust Fund (\$31 million); however, that requirement was suspended for FY15 under budget-balancing measures enacted in February 2015;
- \$170 million from shifting the payment of some FY15 Medicaid expenses into FY16 ;
- \$124 million in one-time federal and other revenues;
- \$89 million from the proceeds of the sale of the Saltonstall State Office Building;
- \$85 million generated by a tax amnesty program;
- \$53 million from gaming facility license fees;
- \$46 million in additional revenues from the delay in implementation of the so-called FAS109 corporate tax deduction.

During FY15, the Commonwealth also transferred \$4.8 million in investment income earned by the Stabilization Fund to the General Fund.

FY15 budgeted revenues and other financing sources (before transfers between the budgeted funds, which are included in both spending and revenue and thus have no effect on fund balances) totaled \$38.236 billion, an increase of \$2.775 billion, or 7.8%, from FY14. Tax revenue grew by \$1.352 billion, or 6.2%, as a result of continuing growth in the economy and the strong stock market, which generated an increase in capital gains taxes of approximately \$432 million, or 35%, compared to FY14. Federal reimbursements totaled \$9.480 billion, an increase of \$1.108 billion, or 13.2%, primarily due to growth in reimbursable Medicaid spending as the Affordable Care Act covered an increased number

of Massachusetts residents and reimbursement rates increased for some services. Departmental revenue, which consists primarily of assessments and fees for state licenses and state services, totaled \$3.853 billion, an increase of \$140 million, or 3.8%, from FY14. Large increases in departmental revenue included \$95 million in additional reimbursements by cities and towns participating in the state's health plan, an \$89 million payment generated from the sale of the Saltonstall State Office Building, \$85 million in pharmacy rebates paid to the state's Medicaid program, and \$34 million in additional motor vehicle registration fees. These increases were offset by several large decreases in departmental revenue, including a \$120 million reduction as a result of a non-recurring payment from the University of Massachusetts Medical School, a \$44 million decline in pediatric immunization assessments, and a reduction of \$36 million in tobacco settlement payments received by the Commonwealth. Interfund transfers from non-budgeted funds totaled \$1.729 billion, an increase of \$174 million, or 11.2%, from FY14, due primarily to \$100 million in additional transfers from gaming license fees to the budgeted funds, \$35 million in additional trust fund closeouts, and \$19 million in higher fringe benefit recoveries from capital, federal grants, and non-budgeted and trust funds.

The Commonwealth continues to receive revenues from the Master Settlement Agreement (MSA) between the states and the tobacco industry to recover health care costs for tobacco-related illnesses. In FY15, the Commonwealth received \$246 million in tobacco settlement funds, a decrease of \$36 million from FY14. The \$246 million represented approximately 66.4% of the estimated amounts shown in the MSA. Statute requires that a portion of tobacco settlement proceeds be transferred directly to the State Retiree Benefits Trust Fund (SRBTF) to fund the Commonwealth's liability for retiree health care, with the percentage of proceeds transferred increasing by 10% each year until 100% of such proceeds are to be deposited in the SRBTF in FY2023 and after. For FY15, the statutorily required transfer was 30% of tobacco settlement revenues. The FY15 General Appropriation Act altered the mechanism by which the 30% transfer was made, but still required the full 30% to be deposited in the SRBTF, which resulted in a transfer of approximately \$74 million in FY15. By statute, a transfer of 40% of the \$244 million in estimated FY16 tobacco settlement payments, or approximately \$98 million, to the SRBTF is required; however, the FY16 budget temporarily suspended this requirement, instead requiring that transfers be made equivalent to 30% of FY16 tobacco settlement proceeds (the same percentage required in FY15), or \$73 million. However, that transfer is contingent on the availability of unexpended debt service appropriations, and if those are insufficient to fund the 30% transfer, the balance of the 30% will be funded by FY16 tax revenues exceeding \$100 million generated by a tax amnesty program that was also authorized in the FY16 budget.

FY15 budgeted expenditures and other financing uses, including transfers to non-budgeted funds (but before transfers between the budgeted funds) totaled \$38.116 billion, an increase of \$2.231 billion, or 6.2%, from FY14, with virtually all of the increase attributable to health care spending (including Medicaid and employee health insurance benefits), debt service, pension contributions, and Local Aid.

Spending on programs and services totaled \$32.635 billion, an increase of \$2.423 billion, or 8.0% from FY14. Medicaid expenditures totaled \$13.655 billion, an increase of \$1.754 billion, or 14.7%, from FY14, primarily due to provisions of the federal Affordable Care Act (ACA) that expanded eligibility for Medicaid as of January 1, 2015, and also due to base enrollment and health care cost growth. In addition, individuals who were eligible for non-Medicaid subsidized coverage under the ACA but could not obtain it due to problems with the Commonwealth Connector's eligibility and enrollment system temporarily received health benefits through MassHealth until the Connector system could be repaired, adding approximately \$521 million to FY15 spending, which is included in the \$1.754 billion Medicaid increase.

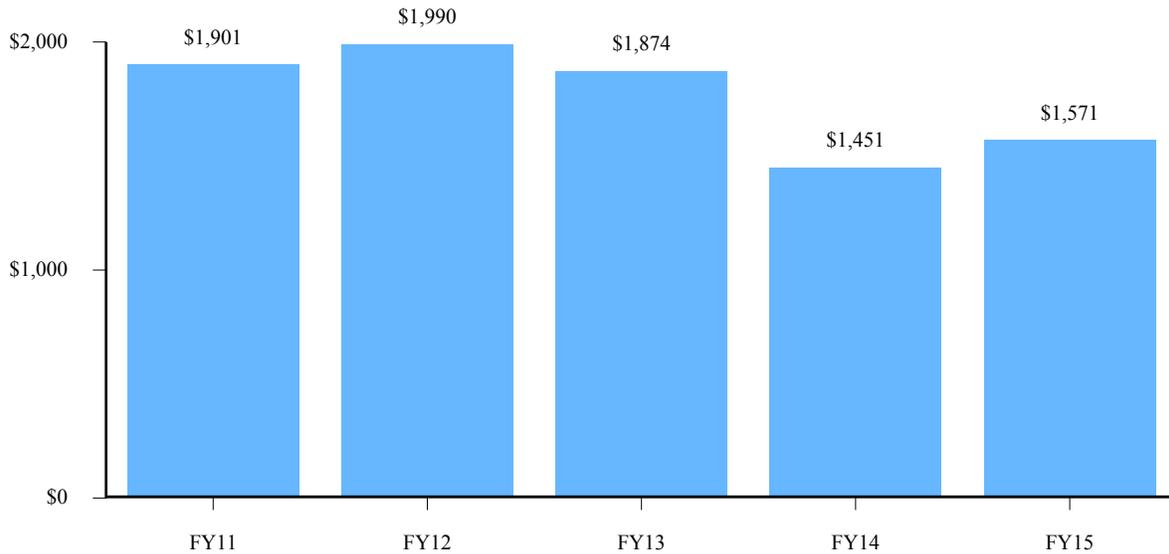
Debt service totaled \$2.190 billion, up \$68 million, or 3.2% from FY14, with the entire growth in debt service expenditures charged to the Commonwealth Transportation Fund, as principal and interest payments began to come due on borrowing for the Commonwealth's road and bridge capital programs. Interfund transfers to non-budgeted funds (primarily the Universal Health Care funds) totaled \$1.078 billion, a decrease of \$424 million or 28.2%, primarily due to decreases in health care transfers to the Commonwealth Care Trust Fund and the Medical Assistance Trust Fund. Post-employment benefits (for pension contributions and retiree health insurance) totaled \$2.213 billion, an increase of \$163 million, or 7.9%, as the Commonwealth increased its pension contribution by 10% over FY14, and employee health benefits paid through the Group Insurance Commission, increased by \$243 million, or 17.3%, from \$1.403 billion to \$1.646 billion. Spending for direct local aid (both education aid and unrestricted aid), at \$5.420 billion, was up \$128 million, or 2.4%, from FY14. The FY15 financial statements for each of the fourteen active 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 Budgeted Funds - Operations table isolates this “interfund” activity from the budgeted sources and subtracts this revenue and spending to align forecasts prepared during the budget process to actual amounts in this report. In FY15, transfers among the Budgeted Funds decreased by \$1.022 billion, or 58.1%, due primarily to reduced transfers to and from the Stabilization Fund during the fiscal year. A detailed list of these interfund transfers is included in Note 3 of the financial statements and Schedule C of the Supplemental Information section of this report.

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

	2015	2014
Beginning fund balances:		
Reserved and designated.....	\$ 190,032	\$ 297,121
Reserved for Stabilization Fund .....	1,248,435	1,556,657
Undesignated .....	12,075	20,579
Total .....	<u>1,450,542</u>	<u>1,874,357</u>
Revenues and other financing sources:		
Taxes .....	23,173,799	21,822,030
Federal reimbursements .....	9,480,404	8,372,145
Departmental and other revenues, including tobacco settlement .....	3,852,782	3,712,372
Interfund transfers from non-budgeted funds and other financing sources ..	1,729,489	1,555,180
Budgeted revenues and other financing sources .....	<u>38,236,474</u>	<u>35,461,727</u>
Intragovernmental Service Fund revenues .....	362,058	339,715
Interfund transfers among budgeted funds and other financing sources .....	373,330	1,417,275
Total revenues and other financing sources .....	<u>38,971,862</u>	<u>37,218,717</u>
Expenditures and other financing uses:		
Programs and services .....	32,634,516	30,211,239
Debt service .....	2,190,405	2,122,000
Post employment benefits .....	2,213,361	2,050,361
Interfund transfers to non-budgeted funds and other financing uses .....	1,078,048	1,501,942
Budgeted expenditures and other financing uses .....	<u>38,116,330</u>	<u>35,885,542</u>
Intragovernmental Service Fund expenditures .....	362,058	339,715
Interfund transfers among budgeted funds and other financing uses .....	373,330	1,417,275
Total expenditures and other financing uses .....	<u>38,851,718</u>	<u>37,642,532</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses .....	<u>120,144</u>	<u>(423,815)</u>
Ending fund balances:		
Reserved and designated.....	225,993	190,032
Reserved for Stabilization Fund .....	1,252,429	1,248,435
Undesignated .....	92,264	12,075
Total .....	<u>\$ 1,570,686</u>	<u>\$ 1,450,542</u>

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



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

As of June 30, 2015, the ending balance is comprised mainly of the fund balance of the General Fund and the Stabilization Fund. Due to designations of fund balances, \$226 million of the total budgeted fund balance, exclusive of the Stabilization Fund, is reserved for appropriations and debt service in FY16. The remaining \$92 million is undesignated in the budgeted funds that are not included in the consolidated net surplus calculation, with \$72 million of that balance in the Community First Trust Fund, which funds home and community based services under the state’s federally reimbursed Medicaid program.

***Lottery and Gaming***

Gross Lottery revenues (including revenues from the Arts Lottery) grew from \$5.051 billion in FY14 to \$5.195 billion in FY15, an increase of \$144 million, or 2.9%. Lottery profits, after deducting administrative expenses and fringe benefit charges reimbursed to the Commonwealth’s General Fund, but prior to distributions to reimburse the Massachusetts Cultural Council and compulsive gamblers appropriation as mandated in the FY15 budget, totaled \$987 million, an increase of \$11 million or 1.2%, from FY14. Of that \$987 million in profits, and as mandated in the FY15 General Appropriation Act, approximately \$947 million was transferred to the General Fund to reimburse it for so-called Unrestricted General Government Aid (formerly Lottery Local Aid), \$12 million reimbursed the Massachusetts Cultural Council appropriation, and \$1.5 million reimbursed a compulsive gambling prevention program appropriation. The remaining \$27 million after these reimbursements was transferred to the General Fund as unrestricted revenue to fund general state operations. The FY16 General Appropriation Act contains provisions for approximately \$980 million in Unrestricted General Government Aid to be paid from the General Fund and reimbursed by Lottery profits.

During FY15, final approval by the Massachusetts Gaming Commission was given to two Massachusetts full service casinos - one in Springfield and one in Everett - and each paid an \$85 million licensing fee required by statute and assessed by the Commission. Per statute, \$20 million of that amount was transferred to the Stabilization Fund to reimburse it for startup costs of the gaming law previously financed by the Fund, and the remaining \$150 million was distributed to eight other funds to finance economic development, capital spending for infrastructure, local aid, higher education, health care payment reform, and advancement of horse racing in the Commonwealth.

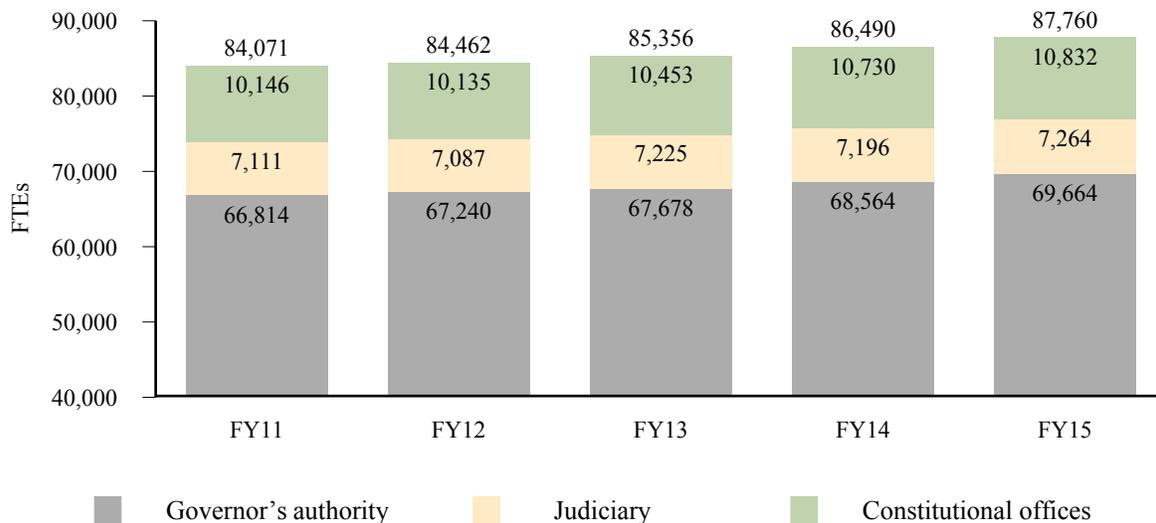
FY15 was also the first year that tax revenues were collected on profits generated by slot machines at the previously licensed Plainridge slots parlor, which opened on June 24, 2015. FY15 budgeted fund tax revenues remitted to the

Commonwealth, which are equal to 40% of gross profits (or “gross gaming revenues”) from the slot machines, totaled approximately \$2 million, which was earmarked for local aid; an additional \$441 thousand in non-budgeted fund revenue, equal to 9% of gross gaming revenue from the slot machines, was earmarked for advancement of horse racing. The FY16 budget relied on \$105 million in budgeted fund revenue from taxes on slots parlor profits. Through September 30, 2015, FY16 budgeted fund gaming tax revenue remitted to the Commonwealth totaled approximately \$23.5 million. On October 15, 2015, the Secretary of Administration and Finance lowered the FY15 estimate for budgeted fund gaming tax revenue by \$22 million, to approximately \$83 million.

**Full-Time Equivalent Employment**

The chart below shows the Commonwealth’s full-time equivalent employment, including the Massachusetts Department of Transportation (MassDOT) for all state funding sources (budgetary, non-budgetary, capital, federal, and trust) over the past five fiscal years. In FY15, the number of Commonwealth FTEs increased by approximately 1,300, to a total of 87,760, with most of the increases in health and human services (approximately 563 additional FTEs), State Universities (approximately 452 additional FTEs) and the University of Massachusetts (approximately 604 additional FTEs). Employment levels increased by a total of approximately 3,690 FTEs between June 30, 2011 and June 30, 2015 restoring some of the reductions that occurred in FY09 and FY10. It should be noted that although they are included in the FTE numbers as of June 30, 2015, in FY15 the Commonwealth instituted an early retirement incentive program (ERIP) for executive branch employees that required all participants to retire by June 30th. Approximately 2,478 Commonwealth employees took advantage of ERIP, and thus as of July 1, 2015, the number of Commonwealth FTEs were approximately that many FTEs lower than on June 30th.

**Full Time Equivalent Workforce  
Including Higher Education  
June 2011 – June 2015**



**The Stabilization Fund**

As states around the country continue to struggle with ongoing fiscal challenges, the importance of the Stabilization Fund (or “rainy day” fund) cannot be overemphasized. State fiscal conditions improved modestly during FY15, according to the National Association of State Budget Officers’ (NASBO) publication *The Fiscal Survey of the States: Spring 2015*, with eleven states reporting a total of \$2.0 billion in enacted mid-year budget cuts for fiscal 2015, compared with eight states enacting \$1.0 billion in mid-year budget cuts in fiscal 2014 and eleven states enacting \$1.3 billion in cuts in fiscal 2013.

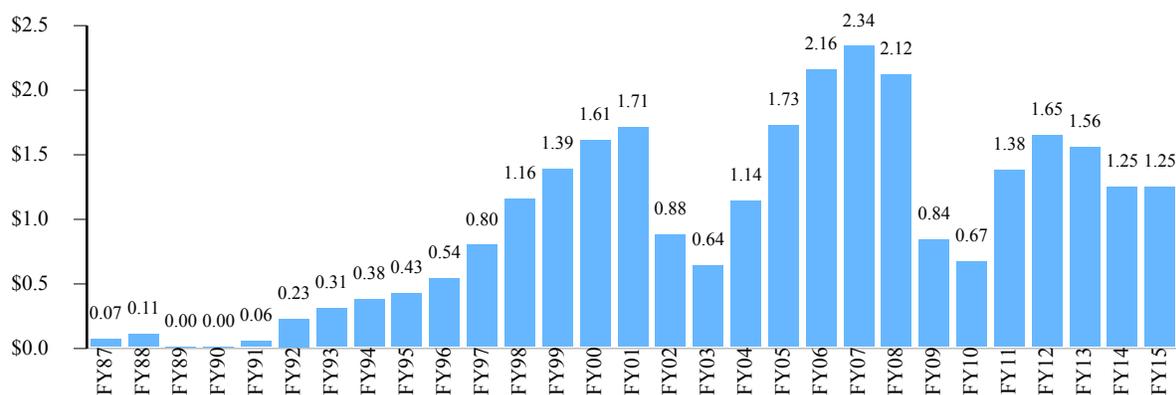
At the start of FY15, the Commonwealth drew \$140 million from the Stabilization Fund resources to maintain budget balance and during the fiscal year transferred \$4.8 million of investment income from the Stabilization Fund to the General Fund per the FY15 budget. These withdrawals from the Stabilization Fund were offset by two deposits in FY15: first, \$20 million from Gaming license fees that, per statute, reimbursed the Fund for financing it provided in FY12 for the startup costs of implementing gaming in the Commonwealth; second, \$124 million from the budgeted funds to the Stabilization Fund as the Commonwealth closed out the fiscal year and the Comptroller’s Office calculated the consolidated net surplus. As a result, the balance of the Stabilization Fund increased by \$4 million between FY14 and FY15.

During FY15, as part of its effort to close a budget deficit that at the time the Administration estimated to be approximately \$768 million (after assuming that \$200 million in capital gains tax revenue that by statute is required to be transferred to the Stabilization Fund would be retained in the General Fund to balance the budget) legislation was enacted suspending a statutory requirement to transfer tax revenue attributable to capital gains above a threshold to the Stabilization Fund, State Pension Liability Fund, and State Retiree Benefits Trust Fund. The FY15 capital gains tax threshold, as determined by the Department of Revenue, was \$1.048 billion. In July 2015, the Department of Revenue certified that FY15 tax collections attributable to capital gains totaled \$1.669 billion, resulting in \$621 million in capital gains tax revenue being retained in the General Fund that otherwise would have been transferred to the Stabilization Fund, State Pension Liability Fund, and the State Retiree Benefits Trust Fund. In December 2014, the Department of Revenue estimated that the capital gains tax threshold for FY16 was \$1.087 billion. However, the FY16 General Appropriation Act again temporarily suspended the capital gains transfer requirement for FY16. The FY16 consensus tax estimate and FY16 enacted budget assumed that approximately \$300 million of FY16 capital gains taxes above the threshold would be retained in the General Fund.

The FY15 final supplemental budget bill requires that prior to making any FY15 end-of-year Stabilization Fund deposit, the Comptroller transfer up to \$10 million to the Massachusetts Community Preservation Trust Fund and \$10 million to the Massachusetts Life Sciences Investment Fund, and any remaining balance to the Stabilization Fund. As of June 30, 2015, the Stabilization Fund balance was \$1.252 billion, an increase of approximately \$4 million from FY14. For FY16, the General Appropriation Act authorizes no draws be made from the Stabilization Fund.

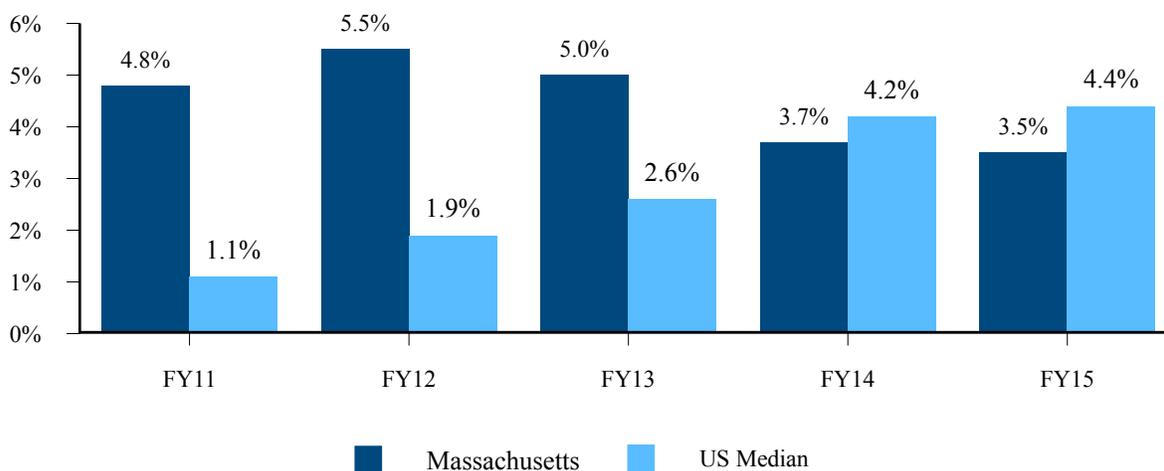
The chart below, which shows the Stabilization Fund balances since the Fund’s inception, indicates that the Fund balance increased by more than \$709 million in FY11 and \$273 million in FY12 as the Commonwealth emerged from the recession, but declined by \$95 million in FY13 and \$308 million in FY14,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

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



The chart below shows the Commonwealth’s Stabilization Fund balance as a percentage of General Fund expenditures compared to the median of all 50 states. (The median is a better measure than the average of all states because Alaska and Texas -- whose revenue streams have benefited from strong oil revenues in recent years -- together accounted for almost half of all stabilization fund balances nationally in FY15.) By that measure, Massachusetts’s Stabilization Fund balance of 3.5% of General Fund expenditures was below the estimated national median of 4.4% of expenditures.

***Stabilization Fund Percentage of General Fund Expenditures Compared To US Median***



Massachusetts maintains a Stabilization Fund balance which is larger than that of many states and in FY15 made a small net deposit to the Fund. However, the Commonwealth drew down the Fund’s balance between FY12 and FY14 as its economy recovered from recession, despite strong tax revenue growth in those years. The Stabilization Fund’s balance has not yet been restored to pre-recession levels, thus potentially leaving the Commonwealth vulnerable if another economic downturn occurs. While credit rating agencies have continued to maintain the Commonwealth’s strong bond rating, they have identified the state’s reliance on reserves in those years as an area requiring improvement. On a positive note, the FY16 General Appropriation Act assumes that the Commonwealth will not withdraw funds from the Stabilization Fund to help balance the operating budget.

***The Non-Budgeted Funds***

The Non-Budgeted Funds represent operations in which the government has imposed its sovereign authority but has excluded these operations from the annual budget process. During FY15, the Commonwealth maintained 99 non-budgeted funds, while another 17 were inactive.

The largest non-budgeted funds in terms of revenues include the Lottery Fund, the Federal Grants Fund and the Commonwealth Care Trust Fund, which funds health benefits for those without health insurance. Other funds that show large inflows include the MBTA State and Local Contribution Trust Fund, the School Modernization Trust Fund and the Grant Anticipation Notes Trust Fund, which are financed by transfers of tax revenues and federal grant receipts.

The table Non-Budgeted Special Revenue Funds - Operations on page 12 summarizes the FY15 non-budgeted funds. A Statement of Revenues, Expenditures and Changes in Fund Balance is presented in a table within this report for each of the individual non-budgeted funds in the financial section of this report. The table includes the State Lottery Funds, where Lottery revenues and expenditures occur prior to Lottery profits being transferred to the General Fund to reimburse it for local aid and other appropriations.

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

	2015	2014
Beginning fund balance.....	\$ 2,269,864	\$ 2,078,199
Revenues and other financing sources:		
Taxes.....	2,065,570	1,843,300
Assessments.....	607,975	616,906
Federal grants and reimbursements.....	2,993,570	3,190,513
Departmental and miscellaneous.....	6,356,987	6,202,948
Transfers and other financing sources.....	1,121,520	1,672,480
Total revenues and other financing sources.....	<u>13,145,622</u>	<u>13,526,147</u>
Expenditures and other financing uses:		
Programs and services.....	10,921,009	11,169,691
Debt service.....	316,777	288,060
Transfers and other financing uses.....	2,052,425	1,876,731
Total expenditures and other financing uses.....	<u>13,290,211</u>	<u>13,334,482</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	<u>(144,589)</u>	<u>191,665</u>
Ending fund balance.....	<u>\$ 2,125,275</u>	<u>\$ 2,269,864</u>

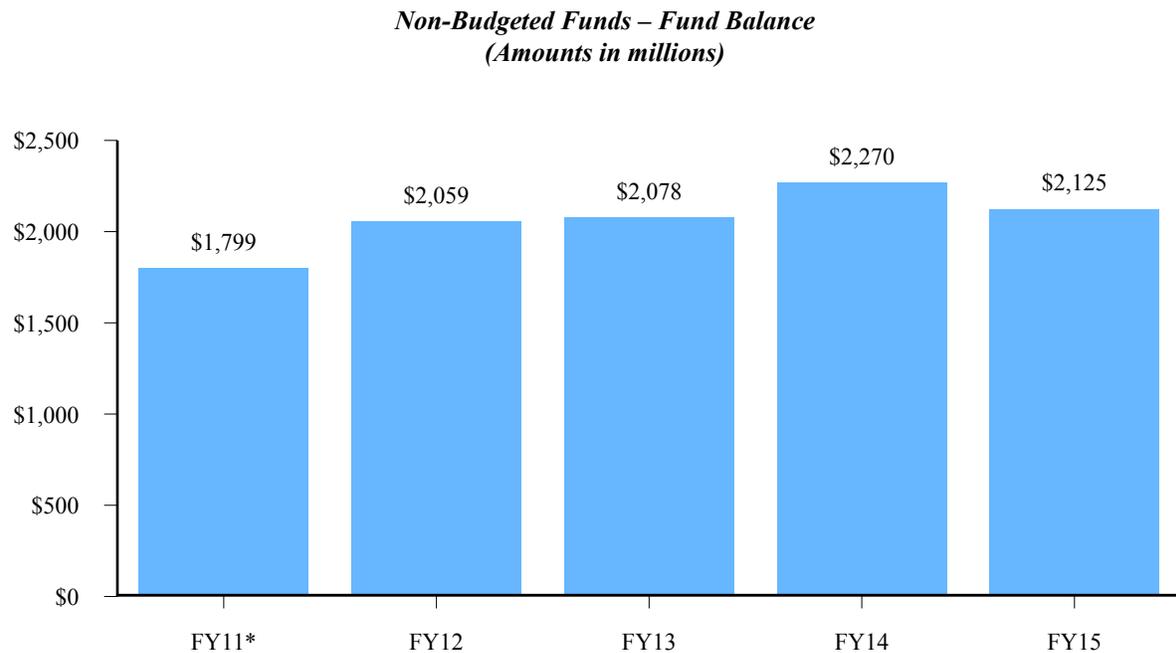
Non-Budgeted Funds with operating deficits in excess of \$10 million include:

- \$132 million – Grant Anticipation Note Trust
- \$57 million – Federal Grants Fund
- \$28 million – Massachusetts Transportation Trust
- \$33 million – Health Safety Net Trust
- \$17 million – Child Support Enforcement Fund

In FY15, \$178 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, approximately \$29 million in interest payments for the GANs were funded by a General Fund appropriation.

For the twelve Universal Health Care funds, revenues and other financing sources were \$1.046 billion in FY15, a decrease of approximately \$890 million from FY14. This decrease was due primarily to a \$390 million decrease in transfers to the Commonwealth Care Trust Fund and a \$345 million decrease in transfers to the Medical Assistance Trust Fund.

The chart Non-Budgeted Funds - Fund Balance below shows the combined fund balance in the Non-Budgeted funds for the past five years.



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

Individual funds that represent approximately 82% of total non-budgeted fund balances include:

- \$834 million – Massachusetts Transportation Trust Fund;
- \$385 million – Central Artery/Tunnel Project Repair and Maintenance Trust Fund;
- \$119 million – Convention and Exhibition Center Fund;
- \$113 million – Debt Defeasance Fund;
- \$92 million – Enhanced 911 Fund;
- \$86 million – Grant Anticipation Note Trust Fund;
- \$75 million – Distressed Hospital Trust Fund;
- \$45 million – Health Safety Net Trust Fund.

As noted in previous reports, the Government Land Bank Fund has a chronic structural fund deficit. The FY15 continuing deficit balance of approximately \$35 million remains an unbudgeted drain on the Commonwealth's cash pool. While steps have been taken to stop the growth in this deficit, the Fund should be abolished and the deficit transferred to the General Fund. More consolidation and elimination is needed for the non-budgeted special revenue funds generally.

### *The Capital Projects Funds*

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

The structure of these funds is such that each capital outlay authorization is in balance, creating authorization for inflows (which may be from sales of bonds, federal reimbursements or other revenues) and 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 FY15 capital budget, the Commonwealth borrowed by issuing \$3.119 billion in long-term bonds, \$2.672 billion of which was general obligation debt and \$447 million was special obligation debt secured by motor fuels taxes and motor vehicle license and registration fees. In addition, the Commonwealth issued \$632 million in debt to refund already existing obligations, taking advantage of continued low interest rates in FY15.

The graph Capital Projects Funds - Fund Balance (Deficit) below shows the combined fund balance in Capital Projects Funds for the past five years. In most previous years, the combined ending balance in the Capital Projects Funds has been negative, as capital spending occurs prior to bonds being issued by the Commonwealth. At the end of FY15, the Capital Projects Funds had a \$525 million deficit balance (including \$680 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. Much of this deficit was eliminated in July 2015 when the Commonwealth issued \$250 million in General Obligation bonds.

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



The Capital Projects Funds - Operations table below includes the FY15 Capital Projects Funds, summarized and compared to FY14. Financial statements for each of the individual funds are included in the financial section of this report.

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

	2015	2014
Beginning fund balance (deficit) .....	\$ (1,101,197)	\$ (836,052)
Revenues and other financing sources:		
Federal grants and reimbursements .....	81,475	30,739
Departmental and miscellaneous .....	3,653	5,190
Proceeds of general and special obligation bonds .....	3,404,176	2,243,430
Proceeds of refunding bonds .....	707,386	721,716
Transfer for federal reimbursements .....	468,040	404,481
Transfers and other financing sources .....	55,410	62,105
Total revenues and other financing sources .....	4,720,140	3,467,661
Expenditures and other financing uses:		
Acquisition and maintenance of capital assets .....	3,368,281	2,906,865
Payments to advance refunding escrow agent/principal repayment .....	707,386	721,688
Transfers and other financing uses .....	68,136	104,253
Total expenditures and other financing uses .....	4,143,803	3,732,806
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses .....	576,337	(265,145)
Ending fund balance (deficit) .....	\$ (524,860)	\$ (1,101,197)

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

During FY15, significant capital spending included:

- \$408 million in bridge repair projects under the Commonwealth’s Accelerated Bridge Program;
- \$320 million in special transit projects, including the Green Line extension, purchase of Red and Orange Line vehicles, and early action items for the South Coast Rail;
- \$211 million in Chapter 90 municipal road and bridge projects;
- \$157 million invested in new academic buildings and improvements to existing facilities on several community college, state university and University of Massachusetts campuses. The Commonwealth’s spending leveraged an additional \$36 million in University investments in FY15;
- \$75 million spent on MassWorks economic development infrastructure grants to cities and towns;
- \$68 million spent on life sciences grants;
- \$46 million spent statewide on deferred maintenance for state facilities;

- \$45 million for environmental community investment and land protection grants.

During the fiscal year, the Commonwealth passed or agreed to terms to approximately \$5.912 billion in bond authorizations. There were no de-authorizations of previously issued capital appropriations in FY15.

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

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

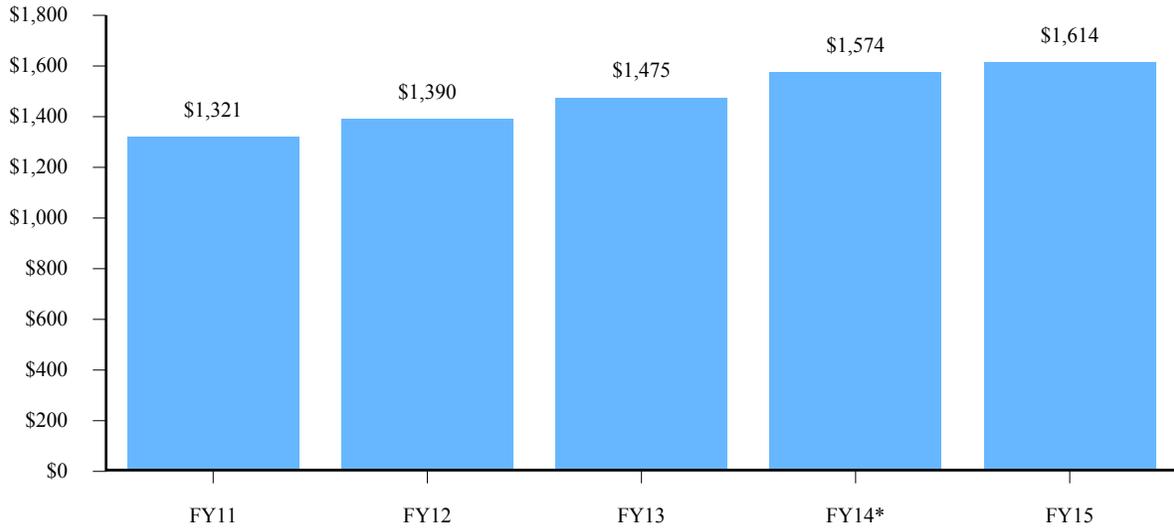
**Non-Appropriated Funds Of Higher Education - Operations  
(Amounts in thousands)**

	2015	2014 Restated*
	<u>2015</u>	<u>Restated*</u>
Beginning fund balance .....	\$ 1,574,205	\$ 1,474,503
Revenues and other financing sources:		
Federal grants and reimbursements .....	532,948	626,331
Departmental revenues .....	2,075,768	1,980,127
Transfers and other financing sources .....	<u>1,671,560</u>	<u>1,795,000</u>
Total revenues and other financing sources .....	<u>4,280,277</u>	<u>4,401,458</u>
Expenditures and other financing uses:		
Programs and services .....	<u>4,240,932</u>	<u>4,301,756</u>
Excess/(deficiency) of revenues and other financing sources over expenditures and other financing uses .....	<u>39,344</u>	<u>99,701</u>
Ending fund balance .....	<u>\$ 1,613,549</u>	<u>\$ 1,574,205</u>

\*FY14 was restated by approximately \$51 million for activities previously unreported

The Non-Appropriated Funds of Higher Education – Operations table above includes the FY15 activity in Higher Education funds, summarized and compared to FY14. 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 on page 17 shows the combined fund balance for the past five years. The combined balance represents an approximate \$868 million fund balance for the University of Massachusetts, an approximate \$448 million fund balance for the State University (formerly the State College) system and an approximate \$297 million fund balance for the Community Colleges.

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



\*FY14 was restated due to amounts previously unreported

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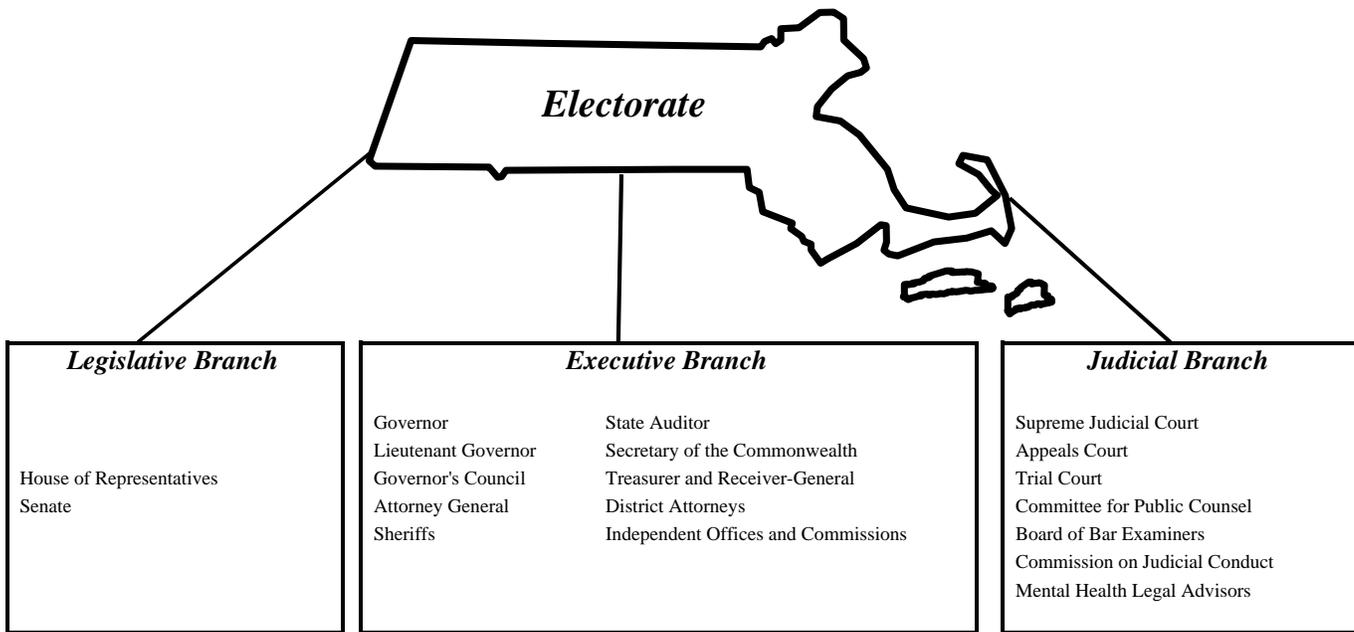
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<b>State Agencies</b>		
<p><b><u>Administration and Finance</u></b> Executive Office for Administration and Finance Appellate Tax Board Bureau of the State House Civil Service Commission Department of Revenue Developmental Disabilities Council Division 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>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>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 Energy Resources Department of Environmental Protection Department of Fish and Game Department of Public Utilities State Reclamation Board</p> <p><b><u>Executive Office of Transportation and Public Works</u></b></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>Public Safety</u></b> Executive Office of Public Safety and Homeland 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>

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*Director, Department Assistance*



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# *Financial Section*



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



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

## **Independent Accountants' Review Report**

Mr. Thomas G. Shack III, Comptroller  
Commonwealth of Massachusetts:

We have reviewed the accompanying combined financial statements – statutory basis of the Commonwealth of Massachusetts as of and for the year ended June 30, 2015, as listed in the accompanying table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the combined financial statements – statutory basis as a whole. Accordingly, we do not express such an opinion.

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

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

As described in notes 1 and 2, these combined financial statements – statutory basis were prepared on the basis of accounting that demonstrates compliance with Section 12 of Chapter 7A Massachusetts General Laws, as amended, and the budgetary principles of the Commonwealth of Massachusetts, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

Based on our review, we are not aware of any material modifications that should be made to the accompanying combined financial statements – statutory basis in order for them to be in conformity with the statutory basis of accounting described in notes 1 and 2.

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



Commonwealth of Massachusetts  
November 10, 2015  
Page 2 of 2

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. We have not audited or reviewed this information, 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 10, 2015

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# *Combined Financial Statements - Statutory Basis*

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

June 30, 2015  
 (Amounts in thousands)

	Totals (Memorandum only)	
	2015	2014
<b>ASSETS</b>		
Cash and short-term investments .....	\$ 1,544,284	\$ 1,453,766
Cash with fiscal agent .....	13,903	14,384
Investments .....	264,426	261,837
Receivables, net of allowance for uncollectibles:		
Due from federal government .....	712,911	708,833
Other receivables .....	11,274	11,022
Due from cities and towns .....	19,722	5,020
Total assets .....	<u>\$ 2,566,520</u>	<u>\$ 2,454,862</u>
<b>LIABILITIES AND FUND EQUITY</b>		
Liabilities:		
Deficiency in cash and short-term investments .....	\$ —	\$ 7,182
Accounts payable .....	803,302	820,803
Accrued payroll .....	192,532	176,335
Total liabilities .....	<u>995,834</u>	<u>1,004,320</u>
Fund equity:		
Combined fund balance:		
Reserved for:		
Continuing appropriations .....	212,090	175,648
Commonwealth Stabilization .....	1,252,429	1,248,435
Debt service .....	13,903	14,384
Unreserved:		
Undesignated .....	92,264	12,075
Total fund equity .....	<u>1,570,686</u>	<u>1,450,542</u>
Total liabilities fund equity .....	<u>\$ 2,566,520</u>	<u>\$ 2,454,862</u>

See accompanying notes to financial statements and accountants' review report

## Budgeted Funds

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

Fiscal Year Ended June 30, 2015

(Amounts in thousands)

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES AND OTHER FINANCING SOURCES</b>			
Revenues:			
Taxes .....	\$ 23,064,800	\$ 23,173,799	\$ 108,999
Assessments .....	437,786	425,316	(12,470)
Federal grants and reimbursements .....	9,556,784	9,480,404	(76,380)
Tobacco settlement revenue .....	253,628	245,839	(7,789)
Departmental .....	3,083,106	3,280,789	197,683
Miscellaneous .....	241,168	262,896	21,728
Total revenues .....	<u>36,637,272</u>	<u>36,869,043</u>	<u>231,771</u>
Other financing sources:			
Fringe benefit cost recovery .....	347,023	329,606	(17,417)
Lottery reimbursements .....	91,375	104,238	12,863
Lottery distributions .....	955,865	947,250	(8,615)
Operating transfers in .....	324,237	343,933	19,696
Stabilization transfer .....	292,650	288,314	(4,336)
Other fund deficit support .....	—	89,478	89,478
Total other financing sources .....	<u>2,011,150</u>	<u>2,102,819</u>	<u>91,669</u>
Total revenues and other financing sources .....	<u>38,648,422</u>	<u>38,971,862</u>	<u>323,440</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>			
Expenditures:			
Legislature .....	83,287	60,465	22,822
Judiciary .....	849,435	839,454	9,981
Inspector General .....	4,608	4,521	87
Governor and Lieutenant Governor .....	10,380	6,368	4,012
Secretary of the Commonwealth .....	45,582	44,891	691
Treasurer and Receiver-General .....	230,190	203,312	26,878
Auditor of the Commonwealth .....	17,778	17,768	10
Attorney General .....	44,209	43,134	1,075
Ethics Commission .....	1,925	1,914	11
District Attorney .....	108,975	108,677	298
Office of Campaign & Political Finance .....	1,460	1,433	27
Sheriff's Departments .....	596,962	581,157	15,805
Disabled Persons Protection Commission .....	2,725	2,724	1
Board of Library Commissioners .....	25,323	25,301	22
Comptroller .....	14,109	13,568	541
Administration and Finance .....	2,422,846	2,323,886	98,960
Energy and Environmental Affairs .....	234,498	226,430	8,068
Health and Human Services .....	5,526,321	5,398,934	127,387
Massachusetts Department of Transportation .....	122,553	122,553	—
Executive Office of Education .....	2,250,302	2,214,194	36,108
Center for Health Information and Analysis .....	34,524	26,405	8,119
Public Safety and Homeland Security .....	1,132,130	1,091,441	40,689
Housing and Economic Development .....	549,225	519,220	30,005
Labor and Workforce Development .....	72,965	43,198	29,767
Direct local aid .....	5,421,728	5,420,412	1,316
Medicaid .....	13,709,008	13,655,213	53,795
Post employment benefits .....	2,213,361	2,213,361	—
Debt service:			
Principal retirement .....	1,315,271	1,290,530	24,741
Interest and fiscal charges .....	932,780	899,875	32,905
Total expenditures .....	<u>37,974,460</u>	<u>37,400,339</u>	<u>574,121</u>
Other financing uses:			
Fringe benefit cost assessment .....	2,295	2,863	(568)
Operating transfers out .....	870,131	829,826	40,305
State Retiree Benefits transfer .....	—	73,752	(73,752)
Stabilization transfer .....	284,850	268,314	16,536
Medical assistance transfer .....	639,500	70,975	568,525
Delivery system transformation initiatives trust transfer .....	218,962	116,171	102,791
Other fund deficit support .....	—	89,478	(89,478)
Total other financing uses .....	<u>2,015,738</u>	<u>1,451,379</u>	<u>564,359</u>
Total expenditures and other financing uses .....	<u>39,990,198</u>	<u>38,851,718</u>	<u>1,138,480</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses .....	(1,341,776)	120,144	1,461,920
Fund balance (deficit) at beginning of year .....	1,450,542	1,450,542	—
Fund balance (deficit) at end of year .....	<u>\$ 108,766</u>	<u>\$ 1,570,686</u>	<u>\$ 1,461,920</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, 2015  
 (Amounts in thousands)

	Non-Budgeted Special Revenue	Capital Projects	Totals (Memorandum only)	
			2015	2014
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes	\$ 2,065,570	\$ —	\$ 2,065,570	\$ 1,843,300
Assessments	607,975	—	607,975	616,906
Federal grants and reimbursements	2,993,570	81,475	3,075,045	3,221,252
Departmental	6,252,990	3,004	6,255,994	6,073,487
Miscellaneous	103,997	649	104,646	134,651
Total revenues	12,024,102	85,128	12,109,230	11,889,596
Other financing sources:				
Issuance of general obligation bonds	—	2,671,507	2,671,507	1,492,049
Bond premiums (discounts) on general obligation bonds	—	198,987	198,987	47,378
Issuance of special obligation bonds	—	447,310	447,310	667,850
Bond premiums (discounts) on special obligation bonds	—	86,372	86,372	55,167
Issuance of current refunding bonds	—	202,895	202,895	159,335
Issuance of advance refunding bonds	—	429,445	429,445	477,461
Bond premiums (discounts) on advance refunding bonds	—	75,046	75,046	84,920
Operating transfers in	934,374	—	934,374	767,630
Commonwealth care trust transfer	—	—	—	390,079
Health safety net trust transfer	—	—	—	30,000
Medical assistance transfer	70,975	—	70,975	395,025
Federal reimbursement transfer in	—	468,040	468,040	404,481
State share of federal highway construction	116,171	55,410	171,581	62,105
Delivery system transformation initiatives trust transfer	—	—	—	70,732
Total other financing sources	1,121,520	4,635,012	5,756,532	5,104,212
Total revenues and other financing sources	13,145,622	4,720,140	17,865,762	16,993,808
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Judiciary	966	12,072	13,038	16,477
Inspector General	459	—	459	256
Governor and Lieutenant Governor	—	184	184	224
Secretary of the Commonwealth	5,427	1,560	6,987	8,292
Treasurer and Receiver-General	6,007,413	13,751	6,021,164	5,689,542
Auditor of the Commonwealth	—	3,272	3,272	1,089
Attorney General	12,306	379	12,685	10,409
Ethics Commission	—	94	94	—
District Attorney	1,830	—	1,830	2,174
Office of Campaign & Political Finance	1,055	—	1,055	—
Sheriff's Departments	9,420	4,768	14,188	17,508
Board of Library Commissioners	2,916	20,440	23,356	22,938
Massachusetts Gaming Commission	21,072	—	21,072	22,125
Comptroller	1,574	3,958	5,532	5,456
Administration and Finance	513,265	648,653	1,161,918	1,512,697
Energy and Environmental Affairs	146,307	254,929	401,236	344,700
Health and Human Services	1,211,184	58,593	1,269,777	1,606,196
Massachusetts Department of Transportation	1,144,978	1,980,413	3,125,391	2,638,492
Executive Office of Education	975,241	28,669	1,003,910	1,013,625
Center for Health Information and Analysis	1,157	—	1,157	1,269
Public Safety and Homeland Security	211,120	47,928	259,048	253,987
Housing and Economic Development	482,377	279,477	761,854	716,040
Labor and Workforce Development	170,942	9,141	180,083	193,060
Debt service:				
Principal retirement	184,224	—	184,224	186,537
Interest and fiscal charges	132,553	—	132,553	101,523
Total expenditures	11,237,786	3,368,281	14,606,067	14,364,616
Other financing uses:				
Payments to advance refunding bonds escrow	—	504,491	504,491	562,353
Principal on current refundings	—	202,895	202,895	159,335
Fringe benefit cost assessment	160,778	12,726	173,504	157,684
Lottery operating reimbursements	104,238	—	104,238	95,891
Lottery distributions	947,250	—	947,250	921,730
Operating transfers out	352,119	—	352,119	309,093
Stabilization transfer	20,000	—	20,000	—
Health safety net trust transfer	—	—	—	30,000
Federal reimbursement transfer out	468,040	—	468,040	404,481
State share of federal highway construction	—	55,410	55,410	62,105
Total other financing uses	2,052,425	775,522	2,827,947	2,702,672
Total expenditures and other financing uses	13,290,211	4,143,803	17,434,014	17,067,288
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses	(144,589)	576,337	431,748	(73,480)
Fund balance (deficit) at beginning of year (restated)	2,269,864	(1,101,197)	1,168,667	1,242,147
Fund balance (deficit) at end of year	\$ 2,125,275	\$ (524,860)	\$ 1,600,415	\$ 1,168,667

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

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

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

### B. GOVERNMENTAL FUND TYPES

The fund types are organized as follows:

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

*Budgeted Funds* - are the primary operating funds of the Commonwealth. They account for all budgeted governmental transactions. Major budgeted funds include the General, Stabilization and Commonwealth Transportation Funds, which are identified by the Comptroller as the operating funds of the Commonwealth. In addition, there are twelve smaller budgeted funds, the Intragovernmental Services Fund, the Inland Fisheries and Game Fund, the Marine Recreational Fisheries Development Fund, the Public Safety Training Fund, the Children and Families Protection Fund, the Community First Trust Fund, the Massachusetts Tourism Fund, the Local Capital Projects Fund, the Gaming Local Aid Fund, the Local Aid Stabilization Fund, the Manufacturing Fund and the Community College Fund.

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

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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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.

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 highway reimbursements are dedicated to funding the principal portion only of federal grant anticipation notes (GANs) issued in fiscal 1998, 1999, 2001, 2011, 2014 and 2015 and refunding notes in fiscal 2003 and fiscal 2011. During FY15, the Commonwealth issued approximately \$347 million in GANs for new-money needs under the Commonwealth's Accelerated Bridge Program. All GANs issued prior to 2010 were repaid and retired during FY15. The Commonwealth will begin repayment of principal of the new-money notes issued in 2010, 2014 and 2015 beginning in FY16, after the original and refunded federal grant anticipation notes have been paid in full. As of June 30, 2015, total principal remaining to be paid on outstanding GANs is approximately \$700 million, with maturities ranging from FY16 through FY27. Principal paid during FY15 was approximately \$178 million and came from federal reimbursements. Interest paid in FY15 was funded by the Commonwealth.

In FY15, the Commonwealth issued approximately \$100 million in special obligation bonds for highway construction purposes under the Commonwealth's Accelerated Bridge Program (ABP). The FY15 and previously issued bonds mature from FY16 to FY44 and are secured by a senior lien on 17 cents of the total 24 cents per gallon gasoline tax, the full 24 cents per gallon of special fuels taxes (comprised primarily of taxes on diesel fuel), 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 24 cents per gallon gasoline tax not included in the senior lien. As of June 30, 2015, approximately \$1.495 billion in principal was

outstanding on the ABP bonds and approximately \$1.212 billion of interest was expected to be paid through maturity. The ABP projected interest costs are net of federal subsidies under the Build America Bond (BABs) program. BABs is a temporary program under which the Commonwealth and other state and local governments issued taxable bonds in calendar 2009 and 2010 in return for a subsidy from the federal government equal to 35% to 45% (depending on whether the proceeds are used for projects in economically distressed areas) of the interest costs on the bonds.

Other special obligation bonds for highway construction purposes are secured by a pledge of 6.86 cents of the 24 cent per gallon gasoline tax, with no new debt issued during FY15. As of June 30 2015, bonds secured by these pledged funds totaled approximately \$211 million in principal and approximately \$41 million in interest. These bonds mature from FY16 to FY22 and were issued in various series. Principal and interest paid during FY15 amounted to approximately \$39 million and \$13 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.

A portion of the Commonwealth's receipts from the sales tax (other than the tax on meals) is dedicated through non-budgeted special revenue funds to the Massachusetts Bay Transportation Authority (MBTA) and the Massachusetts School Building Authority (MSBA). The amount dedicated to the MBTA is the amount raised by a 1% sales tax (not including meals), subject to an inflation-adjusted floor. A comparable amount, though without the floor, is dedicated to the MSBA beginning in fiscal 2010, with lesser amounts dedicated to the MSBA from fiscal 2005 through fiscal 2009.

Legislation approved by the Governor on October 31, 2014 increased the amount statutorily required to be credited to the MBTA by \$160 million annually, starting in fiscal 2015. The \$160 million increase in the dedicated sales tax revenue amount and the amount included in the inflation-adjusted floor was intended to replace the \$160 million annual state appropriation the MBTA received from fiscal 2010 through fiscal 2014. In FY15, total dedicated sales tax revenue that was directed to the MBTA was approximately \$971 million, \$47 million more than would have been the case were the dedicated revenue equal to 1% of applicable sales. 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 FY15, approximately \$764 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, 2015, taxes within the Convention Center districts support approximately \$619 million of outstanding principal and approximately \$406 million of interest on debts related to these Convention Centers. Taxes collected in FY15 were approximately \$123 million, while debt service on the bonds was approximately \$39 million.

The Transportation Modernization Act of 2009, as amended, eliminated the pledges of sales tax revenue to MassDOT through the Commonwealth Transportation Fund (CTF). Beginning in FY14, the motor vehicle sales tax collections were shifted from the general fund to the CTF while also eliminating the 0.385% pledge of regular and meals sales tax. During FY15, approximately \$510 million in sales tax revenue was transferred to MassDOT. From the Commonwealth Transportation Fund, \$123 million was dedicated to funding the operations of the MBTA while an additional \$40 million was dedicated to funding the operations of the regional transit authorities. These amounts are transferred through the CTF.

#### **D. INTERFUND/INTRAFUND TRANSACTIONS**

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

Transfers in and out net to approximately \$19 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 \$330 million into the General Fund results from cost assessments from the other budgeted funds, non-budgeted special revenue funds, capital funds, non-appropriated activities of higher education, expendable trust, and agency funds.

**G. LOTTERY REVENUE AND PRIZES**

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

**H. RECEIVABLES**

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

**I. DUE FROM CITIES AND TOWNS**

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

**J. RISK MANAGEMENT**

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

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

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

**K. ENCUMBRANCES**

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

**L. FUND BALANCES**

Fund balance has been reserved as follows:

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

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

“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, 2014, 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 FY14 were reclassified to conform to current year presentation.

**P. BEGINNING OF YEAR FUND BALANCE**

The beginning fund balance of the State Universities and the combined Higher Education funds were adjusted to reflect activities which were not previously reported during fiscal year 2014.

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### 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 Commonwealth is also required to pay certain Medicaid expenses regardless of appropriations, due to superseding federal law.

The FY04 General Appropriation Act (Chapter 26, Section 167 of the Acts of 2003) amended Section 9C, of Chapter 29, directing the Governor to notify the Legislature in writing as to the reasons for and the effect of any reductions in spending. This proposal must be delivered to the Legislature 15 days before any reductions take effect. Alternatively, funds from the Stabilization Fund may be used to cure the deficiency.

The following table summarizes budgetary activity for FY15 (amounts in thousands):

	Revenues	Expenditures
General Appropriation Act, Chapter 165 of the Acts of 2014:		
Direct appropriations.....	\$ 36,493,300	\$ 35,752,750
Estimated revenues, transfers, retained revenue appropriations, and appropriations carried forward from FY2014.....	—	1,243,492
Total original budget.....	<u>36,493,300</u>	<u>36,996,242</u>
Supplemental Acts of 2014:		
Chapter 188.....	—	15,710
Chapter 259.....	—	4,500
Chapter 287.....	—	79,360
Chapter 359.....	—	257,218
Supplemental Acts of 2015:		
Chapter 2.....	—	2,500
Chapter 10.....	—	404,447
Chapter 119.....	—	440,259
Total budgeted revenues and expenditures per Legislative action.....	<u>—</u>	<u>1,203,994</u>
Chapter 2 section 9C.....	—	(411,144)
Plus: Pension contributions and revenue authorized outside of General Appropriation Act, and other transfers of revenue and spending.....	<u>2,155,122</u>	<u>2,201,106</u>
Budgeted revenues and expenditures as reported.....	<u>\$ 38,648,422</u>	<u>\$ 39,990,198</u>

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

	Revenues and Other Financing Sources	Expenditures and Other Financing Uses
Actual as presented in the combined budget and actual statement - statutory basis.....	\$ 38,971,862	\$ 38,851,718
Adjustments to revenues and expenditures:		
Transfer of revenues to the Intragovernmental Service Fund.....	(362,058)	(362,058)
Adjustments to other financing sources and uses:		
Fringe benefit cost assessments.....	(2,863)	(2,863)
Transfer of expenditures from the Intragovernmental Service Fund to the General Fund.....	(1,569)	(1,569)
RMV license plates.....	(3,091)	(3,091)
Transfers from budgeted funds to the Stabilization Fund.....	(123,507)	(123,507)
Transfers from the Stabilization Fund to the General Fund.....	(144,806)	(144,806)
Transfers from budgeted funds to the General Fund.....	(7,829)	(7,829)
Other fund deficit support.....	(89,478)	(89,478)
Other.....	(187)	(187)
Actual as presented on budgetary documents.....	<u>\$ 38,236,474</u>	<u>\$ 38,116,330</u>

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

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

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

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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

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The following Non-Budgeted Special Revenue and Capital Projects Funds are included in the combined totals and have individual fund deficits at June 30, 2015, as follows (amounts in thousands) (excludes MassDOT):

Non-Budgeted Special Revenue:	
Other:	
Government Land Bank Fund .....	\$ (35,033)
Capital Projects:	
General Capital Projects Fund .....	(383,804)
Highway Capital Projects Fund .....	(185,511)
Government Land Bank Capital Projects Fund .....	(508)
Total Capital Projects Funds .....	<u>(569,823)</u>
Total .....	<u><u>\$ (604,856)</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

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Approximately 41.8% 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, 2015, the General Fund includes approximately \$13.655 billion in expenditures for Medicaid claims. The combined financial statements - statutory basis include Medicaid claims processed but unpaid at June 30, 2015 of approximately \$21 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 economic growth) and judgments and settlements of more than \$10 million that exceed the previous 5 year's average judgments and settlements.

## **ADMINISTRATIVE CONTROL FUND:**

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

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

## **BUDGETED ENVIRONMENTAL FUNDS:**

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

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

## **OTHER BUDGETED FUNDS:**

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

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

***Children and Families Protection Fund*** - to account for any penalties collected for violations of the Massachusetts Pesticide Control Act under Chapter 132B, Sections 6C to 6I of the General Laws, inclusive, and any income derived from the investment of amounts credited to the fund. Amounts credited to the fund shall be used, subject to appropriation, for the implementation and enforcement of said Sections 6C to 6I. Even though this fund does not have current year activity, it is presented for comparative purposes.

***Community First Trust Fund*** - The secretary of health and human services may expend amounts in excess of the \$16 million collected in the nonbudgeted Community First Trust Fund to ensure compliance with the state balancing incentive payment program. Monies deposited in the fund shall be subject to appropriation for non-institutionally-based long-term services and support. There shall be credited to the fund an amount equal to the increase in revenues from federal reimbursements and revenues received from federal financial participation. No expenditure shall be made from the fund which shall cause the fund to be in deficit at the close of a fiscal year. Any remaining balance in the fund at the end of a fiscal year shall not revert to the General Fund but shall remain in the fund.

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

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

***Gaming Local Aid Fund*** - to account for gaming tax revenues transferred under Section 59 of Chapter 23K of the General Laws and any other 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.

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

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

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

***The following funds have been enacted in legislation but had no activity in FY15 and are not presented in this report:***

***Temporary Holding Fund*** - to account for cumulative tax revenues during the fiscal year in excess of permissible tax revenues as defined in Chapter 62F, Section 6A of the 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.

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

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

***Substance Abuse Prevention and Treatment Fund*** - to account for sales tax revenues (non-dedicated) collected from the sale of alcoholic beverages 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.

***International Educational and Foreign Language Grant Program Fund*** - to account for appropriations, bond proceeds or other monies authorized to be used by the Commissioner of Education to increase the number of Massachusetts

students, teachers, administrators and education policymakers to support programs and activities that advance cultural awareness through grants to local and regional high schools to support international education programs and promote the study of foreign languages.

***Dam Safety Trust Fund*** - to account for all receipts and revenues generated through agreements executed between the department of environmental management and public or private entities for dam safety purposes, and all fines, costs, expenses and interest imposed. Revenues over \$250,000 in a fiscal year shall be credited to the General Fund.

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

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

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

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

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

June 30, 2015

(Amounts in thousands)

	General	Commonwealth Transportation	Commonwealth Stabilization	Administrative Control Intragovernmental Service
<b>ASSETS</b>				
Cash and short-term investments .....	\$ 400,735	\$ 428	\$ 988,004	\$ 43,611
Cash with fiscal agent .....	—	13,903	—	—
Investments .....	—	—	264,425	—
Receivables, net of allowance for uncollectibles:				
Due from federal government .....	712,911	—	—	—
Other receivables .....	11,274	—	—	—
Due from cities and towns .....	19,722	—	—	—
Total assets .....	<u>\$ 1,144,642</u>	<u>\$ 14,331</u>	<u>\$ 1,252,429</u>	<u>\$ 43,611</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Deficiency in cash and short-term investments .....	\$ —	\$ —	\$ —	\$ —
Accounts payable .....	759,421	428	—	27,292
Accrued payroll .....	185,860	—	—	5,333
Total liabilities .....	<u>945,281</u>	<u>428</u>	<u>—</u>	<u>32,625</u>
Fund balance (deficit):				
Reserved for:				
Continuing appropriations .....	199,361	—	—	10,986
Commonwealth Stabilization .....	—	—	1,252,429	—
Debt service .....	—	13,903	—	—
Unreserved:				
Undesignated .....	—	—	—	—
Total fund equity (deficit) .....	<u>199,361</u>	<u>13,903</u>	<u>1,252,429</u>	<u>10,986</u>
Total liabilities and fund equity .....	<u>\$ 1,144,642</u>	<u>\$ 14,331</u>	<u>\$ 1,252,429</u>	<u>\$ 43,611</u>

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Environmental		Budgeted Other				
Inland Fisheries and Game	Marine Recreational Fisheries Development	Public Safety Training	Children & Families Protection	Community First Trust	Massachusetts Tourism	Local Capital Projects
\$ 18,181	\$ 2,766	\$ 1,182	\$ —	\$ 72,433	\$ 4,724	\$ 3,864
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
<u>\$ 18,181</u>	<u>\$ 2,766</u>	<u>\$ 1,182</u>	<u>\$ —</u>	<u>\$ 72,433</u>	<u>\$ 4,724</u>	<u>\$ 3,864</u>

\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
1,736	173	—	—	—	2,974	3,864
411	27	—	—	—	69	—
<u>2,147</u>	<u>200</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,043</u>	<u>3,864</u>

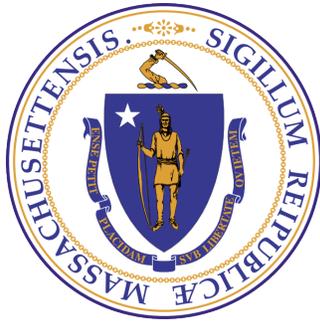
—	—	—	—	—	1,681	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
16,034	2,566	1,182	—	72,433	—	—
<u>16,034</u>	<u>2,566</u>	<u>1,182</u>	<u>—</u>	<u>72,433</u>	<u>1,681</u>	<u>—</u>
<u>\$ 18,181</u>	<u>\$ 2,766</u>	<u>\$ 1,182</u>	<u>\$ —</u>	<u>\$ 72,433</u>	<u>\$ 4,724</u>	<u>\$ 3,864</u>

continued

**Budgeted Funds**  
Combining Balance Sheet - Statutory Basis  
June 30, 2015  
(Amounts in thousands)

	Budgeted Other				Totals (Memorandum only)	
	Gaming Local Aid	Local Aid Stabilization	Manufacturing	Community College	2015	2014
<b>ASSETS</b>						
Cash and short-term investments.....	\$ —	\$ 7,400	\$ 125	\$ 831	\$ 1,544,284	\$ 1,453,766
Cash with fiscal agent.....	—	—	—	—	13,903	14,384
Investments.....	—	—	—	—	264,426	261,837
Receivables, net of allowance for uncollectibles:.....						
Due from federal government.....	—	—	—	—	712,911	708,833
Other receivables.....	—	—	—	—	11,274	11,022
Due from cities and towns.....	—	—	—	—	19,722	5,020
Total assets.....	<u>\$ —</u>	<u>\$ 7,400</u>	<u>\$ 125</u>	<u>\$ 831</u>	<u>\$ 2,566,520</u>	<u>\$ 2,454,862</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Deficiency in cash and short-term investments.....	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 7,182
Accounts payable.....	—	7,350	62	—	803,302	820,803
Accrued payroll.....	—	—	—	831	192,532	176,335
Total liabilities.....	<u>—</u>	<u>7,350</u>	<u>62</u>	<u>831</u>	<u>995,834</u>	<u>1,004,320</u>
Fund balance (deficit):						
Reserved for:						
Continuing appropriations.....	—	—	63	—	212,090	175,648
Commonwealth Stabilization.....	—	—	—	—	1,252,429	1,248,435
Debt service.....	—	—	—	—	13,903	14,384
Unreserved:						
Undesignated.....	—	50	—	—	92,264	12,075
Total fund equity (deficit).....	<u>—</u>	<u>50</u>	<u>63</u>	<u>—</u>	<u>1,570,686</u>	<u>1,450,542</u>
Total liabilities and fund equity.....	<u>\$ —</u>	<u>\$ 7,400</u>	<u>\$ 125</u>	<u>\$ 831</u>	<u>\$ 2,566,520</u>	<u>\$ 2,454,862</u>

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**Budgeted Funds**  
 Combining Statements Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis  
 Fiscal Year Ended June 30, 2015  
 (Amounts in thousands)

	General	Commonwealth Transportation	Commonwealth Stabilization	Administrative Control Intragovernmental Service
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes	\$ 21,854,255	\$ 1,265,166	\$ 647	\$ —
Assessments	403,138	22,178	—	—
Federal grants and reimbursements	9,388,840	—	—	—
Tobacco settlement revenue	245,839	—	—	—
Departmental	2,245,586	645,810	—	379,264
Miscellaneous	257,977	225	4,646	—
<b>Total revenues</b>	<b>34,395,635</b>	<b>1,933,379</b>	<b>5,293</b>	<b>379,264</b>
Other financing sources:				
Fringe benefit cost recovery	329,606	—	—	—
Lottery reimbursements	104,238	—	—	—
Lottery distributions	947,250	—	—	—
Operating transfers in	262,223	—	—	—
Stabilization transfer	144,806	—	143,507	—
Other fund deficit support	—	71,485	—	—
<b>Total other financing sources</b>	<b>1,788,123</b>	<b>71,485</b>	<b>143,507</b>	<b>—</b>
<b>Total revenues and other financing sources</b>	<b>36,183,758</b>	<b>2,004,864</b>	<b>148,800</b>	<b>379,264</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Legislature	60,465	—	—	—
Judiciary	839,454	—	—	—
Inspector General	4,521	—	—	—
Governor and Lieutenant Governor	6,368	—	—	—
Secretary of the Commonwealth	44,787	—	—	104
Treasurer and Receiver-General	203,312	—	—	—
Auditor of the Commonwealth	17,768	—	—	—
Attorney General	43,134	—	—	—
Ethics Commission	1,914	—	—	—
District Attorney	108,677	—	—	—
Office of Campaign & Political Finance	1,433	—	—	—
Sheriff's Departments	581,157	—	—	—
Disabled Persons Protection Commission	2,724	—	—	—
Board of Library Commissioners	25,301	—	—	—
Comptroller	8,837	—	—	4,731
Administration and Finance	2,092,470	—	—	211,368
Energy and Environmental Affairs	208,194	—	—	1,431
Health and Human Services	5,300,785	—	—	98,148
Massachusetts Department of Transportation	—	122,553	—	—
Executive Office of Education	2,214,091	—	—	103
Center for Health Information and Analysis	26,405	—	—	—
Public Safety and Homeland Security	1,040,689	—	—	50,752
Housing and Economic Development	495,721	—	—	1,795
Labor and Workforce Development	43,198	—	—	—
Direct local aid	5,420,412	—	—	—
Medicaid	13,655,213	—	—	—
Post employment benefits	2,213,361	—	—	—
Debt service:				
Principal retirement	546,616	735,408	—	8,506
Interest and fiscal charges	438,987	460,888	—	—
<b>Total expenditures</b>	<b>35,645,994</b>	<b>1,318,849</b>	<b>—</b>	<b>376,938</b>
Other financing uses:				
Fringe benefit cost assessment	—	—	—	—
Operating transfers out	161,100	655,328	—	1,569
State Retiree Benefits transfer	42,584	31,168	—	—
State Pension transfer	—	—	—	—
Stabilization transfer	48,806	—	144,806	—
Commonwealth care transfer	—	—	—	—
Medical assistance transfer	70,975	—	—	—
Delivery system transformation initiatives trust transfer	116,171	—	—	—
Other fund deficit support	42,896	—	—	—
<b>Total other financing uses</b>	<b>482,532</b>	<b>686,496</b>	<b>144,806</b>	<b>1,569</b>
<b>Total expenditures and other financing uses</b>	<b>36,128,526</b>	<b>2,005,345</b>	<b>144,806</b>	<b>378,507</b>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing use				
	55,232	(481)	3,994	757
Fund balance (deficit) at beginning of year	144,129	14,384	1,248,435	10,229
<b>Fund balance (deficit) at end of year</b>	<b>\$ 199,361</b>	<b>\$ 13,903</b>	<b>\$ 1,252,429</b>	<b>\$ 10,986</b>

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

Fiscal Year Ended June 30, 2015  
 (Amounts in thousands)

	Budgeted Other				Totals (Memorandum only)	
	Gaming Local Aid	Local Aid Stabilization	Manufacturing	Community College	2015	2014
<b>REVENUES AND OTHER FINANCING SOURCES</b>						
Revenues:						
Taxes	\$ —	\$ —	\$ —	\$ —	\$ 23,173,799	\$ 21,822,030
Assessments	—	—	—	—	425,316	462,209
Federal grants and reimbursements	—	—	—	—	9,480,404	8,372,145
Tobacco settlement revenue	—	—	—	—	245,839	282,049
Departmental	—	—	—	—	3,280,789	3,043,132
Miscellaneous	—	—	—	2	262,896	264,697
Total revenues	—	—	—	2	36,869,043	34,246,262
Other financing sources:						
Fringe benefit cost recovery	—	—	—	—	329,606	310,559
Lottery reimbursements	—	—	—	—	104,238	95,891
Lottery distributions	—	—	—	—	947,250	921,730
Operating transfers in	1,961	8,375	21,775	28,475	343,933	244,967
Stabilization transfer	—	—	—	—	288,314	1,231,336
Other fund deficit support	17,994	—	—	—	89,478	167,972
Total other financing sources	19,955	8,375	21,775	28,475	2,102,819	2,972,455
Total revenues and other financing sources	19,955	8,375	21,775	28,477	38,971,862	37,218,717
<b>EXPENDITURES AND OTHER FINANCING USES</b>						
Expenditures:						
Legislature	—	—	—	—	60,465	56,299
Judiciary	—	—	—	—	839,454	814,129
Inspector General	—	—	—	—	4,521	6,162
Governor and Lieutenant Governor	—	—	—	—	6,368	5,161
Secretary of the Commonwealth	—	—	—	—	44,891	44,339
Treasurer and Receiver-General	—	—	—	—	203,312	203,358
Auditor of the Commonwealth	—	—	—	—	17,768	17,536
Attorney General	—	—	—	—	43,134	43,028
Ethics Commission	—	—	—	—	1,914	1,904
District Attorney	—	—	—	—	108,677	105,962
Office of Campaign & Political Finance	—	—	—	—	1,433	1,370
Sheriff's Departments	—	—	—	—	581,157	552,978
Disabled Persons Protection Commission	—	—	—	—	2,724	2,412
Board of Library Commissioners	—	—	—	—	25,301	22,184
Comptroller	—	—	—	—	13,568	12,811
Administration and Finance	19,955	—	—	—	2,323,886	2,128,851
Energy and Environmental Affairs	—	—	—	—	226,430	216,418
Health and Human Services	—	—	—	—	5,398,934	5,070,536
Massachusetts Department of Transportation	—	—	—	—	122,553	275,200
Executive Office of Education	—	—	—	—	2,214,194	2,116,430
Center for Health Information and Analysis	—	—	—	—	26,405	23,706
Public Safety and Homeland Security	—	—	—	—	1,091,441	1,058,775
Housing and Economic Development	—	—	—	—	519,220	534,725
Labor and Workforce Development	—	—	—	—	43,198	43,437
Direct local aid	—	—	—	—	5,420,412	5,292,467
Medicaid	—	—	—	—	13,655,213	11,900,776
Post employment benefits	—	—	—	—	2,213,361	2,050,361
Debt service:						
Principal retirement	—	—	—	—	1,290,530	1,247,974
Interest and fiscal charges	—	—	—	—	899,875	874,026
Total expenditures	19,955	—	—	—	37,400,339	34,723,315
Other financing uses:						
Fringe benefit cost assessment	—	—	—	—	2,863	8,291
Operating transfers out	—	—	—	—	829,826	594,826
State Retiree Benefits transfer	—	—	—	—	73,752	58,683
State Pension transfer	—	—	—	—	—	2,273
Stabilization transfer	—	—	13,373	17,554	268,314	1,231,336
Commonwealth care transfer	—	—	—	—	—	390,079
Medical assistance transfer	—	—	—	—	70,975	395,025
Delivery system transformation initiatives trust transfer	—	—	—	—	116,171	70,732
Other fund deficit support	—	—	8,339	10,943	89,478	167,972
Total other financing uses	—	—	21,712	28,497	1,451,379	2,919,217
Total expenditures and other financing uses	19,955	—	21,712	28,497	38,851,718	37,642,532
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing use						
	—	8,375	63	(20)	120,144	(423,815)
Fund balance (deficit) at beginning of year	—	(8,325)	—	20	1,450,542	1,874,357
Fund balance (deficit) at end of year	\$ —	\$ 50	\$ 63	\$ —	\$ 1,570,686	\$ 1,450,542

See accountants' review report



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**Budgeted Funds**

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

Fiscal Year Ended June 30, 2015

(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	\$ 21,717,500	\$ 21,854,255	\$ 136,755	\$ 1,296,700	\$ 1,265,166	\$ (31,534)
Assessments	414,208	403,138	(11,070)	23,578	22,178	(1,400)
Federal grants and reimbursements	9,551,184	9,388,840	(162,344)	—	—	—
Tobacco settlement revenue	253,628	245,839	(7,789)	—	—	—
Departmental	2,421,790	2,245,586	(176,204)	652,570	645,810	(6,760)
Miscellaneous	230,486	257,977	27,491	—	225	225
Total revenues	<u>34,588,796</u>	<u>34,395,635</u>	<u>(193,161)</u>	<u>1,972,848</u>	<u>1,933,379</u>	<u>(39,469)</u>
Other financing sources:						
Fringe benefit cost recovery	347,023	329,606	(17,417)	—	—	—
Lottery reimbursements	91,375	104,238	12,863	—	—	—
Lottery distributions	955,865	947,250	(8,615)	—	—	—
Operating transfers in	201,257	262,223	60,966	75,000	—	(75,000)
Stabilization transfer	150,650	144,806	(5,844)	—	—	—
Other fund deficit support	—	—	—	—	71,485	71,485
Total other financing sources	<u>1,746,170</u>	<u>1,788,123</u>	<u>41,953</u>	<u>75,000</u>	<u>71,485</u>	<u>(3,515)</u>
Total revenues and other financing sources	<u>36,334,966</u>	<u>36,183,758</u>	<u>(151,208)</u>	<u>2,047,848</u>	<u>2,004,864</u>	<u>(42,984)</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>						
Expenditures:						
Legislature	83,287	60,465	22,822	—	—	—
Judiciary	849,435	839,454	9,981	—	—	—
Inspector General	4,608	4,521	87	—	—	—
Governor and Lieutenant Governor	10,380	6,368	4,012	—	—	—
Secretary of the Commonwealth	45,466	44,787	679	—	—	—
Treasurer and Receiver-General	230,190	203,312	26,878	—	—	—
Auditor of the Commonwealth	17,778	17,768	10	—	—	—
Attorney General	44,209	43,134	1,075	—	—	—
Ethics Commission	1,925	1,914	11	—	—	—
District Attorney	108,975	108,677	298	—	—	—
Office of Campaign & Political Finance	1,460	1,433	27	—	—	—
Sheriff's Departments	596,962	581,157	15,805	—	—	—
Disabled Persons Protection Commission	2,725	2,724	1	—	—	—
Board of Library Commissioners	25,323	25,301	22	—	—	—
Comptroller	8,837	8,837	—	—	—	—
Administration and Finance	2,146,692	2,092,470	54,222	—	—	—
Energy and Environmental Affairs	215,511	208,194	7,317	—	—	—
Health and Human Services	5,405,578	5,300,785	104,793	—	—	—
Massachusetts Department of Transportation	—	—	—	122,553	122,553	—
Executive Office of Education	2,248,442	2,214,091	34,351	—	—	—
Center for Health Information and Analysis	34,524	26,405	8,119	—	—	—
Public Safety and Homeland Security	1,072,803	1,040,689	32,114	—	—	—
Housing and Economic Development	523,315	495,721	27,594	—	—	—
Labor and Workforce Development	53,923	43,198	10,725	—	—	—
Direct local aid	5,421,728	5,420,412	1,316	—	—	—
Medicaid	13,709,008	13,655,213	53,795	—	—	—
Post employment benefits	2,213,361	2,213,361	—	—	—	—
Debt service:						
Principal retirement	555,927	546,616	9,311	748,804	735,408	13,396
Interest and fiscal charges	446,465	438,987	7,478	486,315	460,888	25,427
Total expenditures	<u>36,078,837</u>	<u>35,645,994</u>	<u>432,843</u>	<u>1,357,672</u>	<u>1,318,849</u>	<u>38,823</u>
Other financing uses:						
Fringe benefit cost assessment	—	—	—	—	—	—
Operating transfers out	209,976	161,100	48,876	660,155	655,328	4,827
State Retiree Benefits transfer	—	42,584	(42,584)	—	31,168	(31,168)
Stabilization transfer	122,000	48,806	73,194	—	—	—
Medical assistance transfer	639,500	70,975	568,525	—	—	—
Delivery system transformation initiatives trust transfer	218,962	116,171	102,791	—	—	—
Other fund deficit support	—	42,896	(42,896)	—	—	—
Total other financing uses	<u>1,190,438</u>	<u>482,532</u>	<u>707,906</u>	<u>660,155</u>	<u>686,496</u>	<u>(26,341)</u>
Total expenditures and other financing uses	<u>37,269,275</u>	<u>36,128,526</u>	<u>1,140,749</u>	<u>2,017,827</u>	<u>2,005,345</u>	<u>12,482</u>
Excess (deficiency) of revenues and other financing sources over / (under)	(934,309)	55,232	989,541	30,021	(481)	(30,502)
Fund balance (deficit) at beginning of year	144,129	144,129	—	14,384	14,384	—
Fund balance (deficit) at end of year	<u>\$ (790,180)</u>	<u>\$ 199,361</u>	<u>\$ 989,541</u>	<u>\$ 44,405</u>	<u>\$ 13,903</u>	<u>\$ (30,502)</u>

See accountants' review report



**Budgeted Funds**

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

Fiscal Year Ended June 30, 2015

(Amounts in thousands)

	Environmental			Budgeted Other		
	Marine Recreational Fisheries Development			Public Safety Trust		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES AND OTHER FINANCING SOURCES</b>						
Revenues:						
Taxes .....	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Assessments .....	—	—	—	—	—	—
Federal grants and reimbursements .....	—	—	—	—	—	—
Tobacco settlement revenue .....	—	—	—	—	—	—
Departmental .....	1,385	1,429	44	—	1,406	1,406
Miscellaneous .....	—	—	—	—	—	—
<b>Total revenues .....</b>	<b>1,385</b>	<b>1,429</b>	<b>44</b>	<b>—</b>	<b>1,406</b>	<b>1,406</b>
Other financing sources:						
Fringe benefit cost recovery .....	—	—	—	—	—	—
Lottery reimbursements .....	—	—	—	—	—	—
Lottery distributions .....	—	—	—	—	—	—
Operating transfers in .....	—	—	—	—	—	—
Stabilization transfer .....	—	—	—	—	—	—
Other fund deficit support .....	—	—	—	—	—	—
<b>Total other financing sources .....</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total revenues and other financing sources .....</b>	<b>1,385</b>	<b>1,429</b>	<b>44</b>	<b>—</b>	<b>1,406</b>	<b>1,406</b>
<b>EXPENDITURES AND OTHER</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 & Political Finance .....	—	—	—	—	—	—
Sheriff's Departments .....	—	—	—	—	—	—
Disabled Persons Protection Commission .....	—	—	—	—	—	—
Board of Library Commissioners .....	—	—	—	—	—	—
Comptroller .....	—	—	—	—	—	—
Administration and Finance .....	—	—	—	—	—	—
Energy and Environmental Affairs .....	1,341	1,158	183	—	—	—
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 .....	—	—	—	—	—	—
<b>Total expenditures .....</b>	<b>1,341</b>	<b>1,158</b>	<b>183</b>	<b>—</b>	<b>—</b>	<b>—</b>
Other financing uses:						
Fringe benefit cost assessment .....	—	104	(104)	—	—	—
Operating transfers out .....	—	—	—	—	792	(792)
State Retiree Benefits transfer .....	—	—	—	—	—	—
Stabilization transfer .....	—	—	—	—	—	—
Medical assistance transfer .....	—	—	—	—	—	—
Delivery system transformation initiatives trust transfer .....	—	—	—	—	—	—
Other fund deficit support .....	—	—	—	—	—	—
<b>Total other financing uses .....</b>	<b>—</b>	<b>104</b>	<b>(104)</b>	<b>—</b>	<b>792</b>	<b>(792)</b>
<b>Total expenditures and other financing uses .....</b>	<b>1,341</b>	<b>1,262</b>	<b>79</b>	<b>—</b>	<b>792</b>	<b>(792)</b>
Excess (deficiency) of revenues and other financing sources over / (under) .....	44	167	123	—	614	614
Fund balance (deficit) at beginning of year .....	2,399	2,399	—	568	568	—
<b>Fund balance (deficit) at end of year .....</b>	<b>\$ 2,443</b>	<b>\$ 2,566</b>	<b>\$ 123</b>	<b>\$ 568</b>	<b>\$ 1,182</b>	<b>\$ 614</b>

See accountants' review report



**Budgeted Funds**

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

Fiscal Year Ended June 30, 2015

(Amounts in thousands)

	Budgeted Other					
	Local Capital Projects			Gaming Local Aid		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES AND OTHER FINANCING SOURCES</b>						
Revenues:						
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Assessments	—	—	—	—	—	—
Federal grants and reimbursements	—	—	—	—	—	—
Tobacco settlement revenue	—	—	—	—	—	—
Departmental	—	—	—	—	—	—
Miscellaneous	—	—	—	—	—	—
<b>Total revenues</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Other financing sources:						
Fringe benefit cost recovery	—	—	—	—	—	—
Lottery reimbursements	—	—	—	—	—	—
Lottery distributions	—	—	—	—	—	—
Operating transfers in	12,380	18,425	6,045	—	1,961	1,961
Stabilization transfer	—	—	—	—	—	—
Other fund deficit support	—	—	—	—	17,994	17,994
<b>Total other financing sources</b>	<b>12,380</b>	<b>18,425</b>	<b>6,045</b>	<b>—</b>	<b>19,955</b>	<b>19,955</b>
<b>Total revenues and other financing sources</b>	<b>12,380</b>	<b>18,425</b>	<b>6,045</b>	<b>—</b>	<b>19,955</b>	<b>19,955</b>
<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 & Political Finance	—	—	—	—	—	—
Sheriff's Departments	—	—	—	—	—	—
Disabled Persons Protection Commission	—	—	—	—	—	—
Board of Library Commissioners	—	—	—	—	—	—
Comptroller	—	—	—	—	—	—
Administration and Finance	—	—	—	19,955	19,955	—
Energy and Environmental Affairs	—	—	—	—	—	—
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	—	—	—	—	—	—
<b>Total expenditures</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>19,955</b>	<b>19,955</b>	<b>—</b>
Other financing uses:						
Fringe benefit cost assessment	—	—	—	—	—	—
Operating transfers out	—	—	—	—	—	—
State Retiree Benefits transfer	—	—	—	—	—	—
Stabilization transfer	—	24,437	(24,437)	—	—	—
Medical assistance transfer	—	—	—	—	—	—
Delivery system transformation initiatives trust transfer	—	—	—	—	—	—
Other fund deficit support	—	15,238	(15,238)	—	—	—
<b>Total other financing uses</b>	<b>—</b>	<b>39,675</b>	<b>(39,675)</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total expenditures and other financing uses</b>	<b>—</b>	<b>39,675</b>	<b>(39,675)</b>	<b>19,955</b>	<b>19,955</b>	<b>—</b>
Excess (deficiency) of revenues and other financing sources over / (under)	12,380	(21,250)	(33,630)	(19,955)	—	19,955
Fund balance (deficit) at beginning of year	21,250	21,250	—	—	—	—
<b>Fund balance (deficit) at end of year</b>	<b>\$ 33,630</b>	<b>\$ —</b>	<b>\$ (33,630)</b>	<b>\$ (19,955)</b>	<b>\$ —</b>	<b>\$ 19,955</b>

See accountants' review report

Budgeted Other											
Local Aid Stabilization			Manufacturing			Community College			Totals (Memorandum only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$23,064,800	\$23,173,799	\$ 108,999
—	—	—	—	—	—	—	—	—	437,786	425,316	(12,470)
—	—	—	—	—	—	—	—	—	9,556,784	9,480,404	(76,380)
—	—	—	—	—	—	—	—	—	253,628	245,839	(7,789)
—	—	—	—	—	—	—	—	—	3,083,106	3,280,789	197,683
—	—	—	—	—	—	—	2	2	241,168	262,896	21,728
—	—	—	—	—	—	—	2	2	36,637,272	36,869,043	231,771
—	—	—	—	—	—	—	—	—	347,023	329,606	(17,417)
—	—	—	—	—	—	—	—	—	91,375	104,238	12,863
—	—	—	—	—	—	—	—	—	955,865	947,250	(8,615)
—	8,375	8,375	14,640	21,775	7,135	19,140	28,475	9,335	324,237	343,933	19,696
—	—	—	—	—	—	—	—	—	292,650	288,314	(4,336)
—	—	—	—	—	—	—	—	—	—	89,478	89,478
—	8,375	8,375	14,640	21,775	7,135	19,140	28,475	9,335	2,011,150	2,102,819	91,669
—	8,375	8,375	14,640	21,775	7,135	19,140	28,477	9,337	38,648,422	38,971,862	323,440
—	—	—	—	—	—	—	—	—	83,287	60,465	22,822
—	—	—	—	—	—	—	—	—	849,435	839,454	9,981
—	—	—	—	—	—	—	—	—	4,608	4,521	87
—	—	—	—	—	—	—	—	—	10,380	6,368	4,012
—	—	—	—	—	—	—	—	—	45,582	44,891	691
—	—	—	—	—	—	—	—	—	230,190	203,312	26,878
—	—	—	—	—	—	—	—	—	17,778	17,768	10
—	—	—	—	—	—	—	—	—	44,209	43,134	1,075
—	—	—	—	—	—	—	—	—	1,925	1,914	11
—	—	—	—	—	—	—	—	—	108,975	108,677	298
—	—	—	—	—	—	—	—	—	1,460	1,433	27
—	—	—	—	—	—	—	—	—	596,962	581,157	15,805
—	—	—	—	—	—	—	—	—	2,725	2,724	1
—	—	—	—	—	—	—	—	—	25,323	25,301	22
—	—	—	—	—	—	—	—	—	14,109	13,568	541
—	—	—	—	—	—	—	—	—	2,422,846	2,323,886	98,960
—	—	—	—	—	—	—	—	—	234,498	226,430	8,068
—	—	—	—	—	—	—	—	—	5,526,321	5,398,934	127,387
—	—	—	—	—	—	—	—	—	122,553	122,553	—
—	—	—	—	—	—	—	—	—	2,250,302	2,214,194	36,108
—	—	—	—	—	—	—	—	—	34,524	26,405	8,119
—	—	—	—	—	—	—	—	—	1,132,130	1,091,441	40,689
—	—	—	—	—	—	—	—	—	549,225	519,220	30,005
—	—	—	—	—	—	—	—	—	72,965	43,198	29,767
—	—	—	—	—	—	—	—	—	5,421,728	5,420,412	1,316
—	—	—	—	—	—	—	—	—	13,709,008	13,655,213	53,795
—	—	—	—	—	—	—	—	—	2,213,361	2,213,361	—
—	—	—	—	—	—	—	—	—	1,315,271	1,290,530	24,741
—	—	—	—	—	—	—	—	—	932,780	899,875	32,905
—	—	—	—	—	—	—	—	—	37,974,460	37,400,339	574,121
—	—	—	—	—	—	—	—	—	2,295	2,863	(568)
—	—	—	—	—	—	—	—	—	870,131	829,826	40,305
—	—	—	—	—	—	—	—	—	—	73,752	(73,752)
—	—	—	—	13,373	(13,373)	—	17,554	(17,554)	284,850	268,314	16,536
—	—	—	—	—	—	—	—	—	639,500	70,975	568,525
—	—	—	—	—	—	—	—	—	218,962	116,171	102,791
—	—	—	—	8,339	(8,339)	—	10,943	(10,943)	—	89,478	(89,478)
—	—	—	—	21,712	(21,712)	—	28,497	(28,497)	2,015,738	1,451,379	564,359
—	—	—	—	21,712	(21,712)	—	28,497	(28,497)	39,990,198	38,851,718	1,138,480
—	8,375	8,375	14,640	63	(14,577)	19,140	(20)	(19,160)	(1,341,776)	120,144	1,461,920
(8,325)	(8,325)	—	—	—	—	20	20	—	1,450,542	1,450,542	—
<u>\$(8,325)</u>	<u>\$ 50</u>	<u>\$ 8,375</u>	<u>\$14,640</u>	<u>\$ 63</u>	<u>\$ (14,577)</u>	<u>\$ 19,160</u>	<u>\$ —</u>	<u>\$ (19,160)</u>	<u>\$ 108,766</u>	<u>\$ 1,570,686</u>	<u>\$ 1,461,920</u>

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

June 30, 2015  
(Amounts in thousands)

	2015	2014
<b>ASSETS</b>		
Cash and short-term investments .....	\$ 400,735	\$ 379,763
Receivables, net of allowance for uncollectibles:		
Due from federal government .....	712,911	708,833
Other receivables .....	11,274	11,022
Due from cities and towns .....	19,722	5,020
Total assets .....	\$ 1,144,642	\$ 1,104,638
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable .....	\$ 759,421	\$ 789,552
Accrued payroll .....	185,860	170,957
Total liabilities .....	945,281	960,509
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations .....	199,361	144,129
Total fund balance .....	199,361	144,129
Total liabilities and fund balance .....	\$ 1,144,642	\$ 1,104,638

See accountants' review report

## General Fund

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

Fiscal Year Ended June 30, 2015

(Amounts in thousands)

	2015 Budget	2015 Actual	Variance Favorable (Unfavorable)	2014 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes .....	\$ 21,717,500	\$ 21,854,255	\$ 136,755	\$ 20,539,735
Assessments .....	414,208	403,138	(11,070)	439,998
Federal grants and reimbursements .....	9,551,184	9,388,840	(162,344)	8,366,140
Tobacco settlement revenue .....	253,628	245,839	(7,789)	282,049
Departmental .....	2,421,790	2,245,586	(176,204)	2,156,954
Miscellaneous .....	230,486	257,977	27,491	254,968
Total revenues .....	34,588,796	34,395,635	(193,161)	32,039,844
Other financing sources:				
Fringe benefit cost recovery .....	347,023	329,606	(17,417)	310,559
Lottery reimbursements .....	91,375	104,238	12,863	95,891
Lottery distributions .....	955,865	947,250	(8,615)	921,730
Operating transfers in .....	201,257	262,223	60,966	241,225
Stabilization transfer .....	150,650	144,806	(5,844)	771,569
Total other financing sources .....	1,746,170	1,788,123	41,953	2,340,974
Total revenues and other financing sources .....	36,334,966	36,183,758	(151,208)	34,380,818
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Legislature .....	83,287	60,465	22,822	56,299
Judiciary .....	849,435	839,454	9,981	814,129
Inspector General .....	4,608	4,521	87	6,162
Governor and Lieutenant Governor .....	10,380	6,368	4,012	5,144
Secretary of the Commonwealth .....	45,466	44,787	679	44,240
Treasurer and Receiver-General .....	230,190	203,312	26,878	203,358
Auditor of the Commonwealth .....	17,778	17,768	10	17,536
Attorney General .....	44,209	43,134	1,075	43,028
Ethics Commission .....	1,925	1,914	11	1,904
District Attorney .....	108,975	108,677	298	105,962
Office of Campaign and Political Finance .....	1,460	1,433	27	1,370
Sheriff's Department .....	596,962	581,157	15,805	552,978
Disabled Persons Protection Commission .....	2,725	2,724	1	2,412
Board of Library Commissioners .....	25,323	25,301	22	22,184
Comptroller .....	8,837	8,837	—	8,541

continued

## General Fund

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

Fiscal Year Ended June 30, 2015

(Amounts in thousands)

	2015 Budget	2015 Actual	Variance Favorable (Unfavorable)	2014 Actual
Expenditures (continued):				
Administration and Finance .....	2,146,692	2,092,470	54,222	1,931,276
Energy and Environmental Affairs .....	215,511	208,194	7,317	200,882
Health and Human Services .....	5,405,578	5,300,785	104,793	4,979,491
Executive Office of Education .....	2,248,442	2,214,091	34,351	2,077,382
Center for Health Information and Analysis .....	34,524	26,405	8,119	23,706
Public Safety and Homeland Security .....	1,072,803	1,040,689	32,114	1,010,411
Housing and Economic Development .....	523,315	495,721	27,594	498,273
Labor and Workforce Development .....	53,923	43,198	10,725	41,437
Direct local aid .....	5,421,728	5,420,412	1,316	5,292,467
Medicaid .....	13,709,008	13,655,213	53,795	11,900,776
Post employment benefits .....	2,213,361	2,213,361	—	2,050,361
Debt service:				
Principal retirement .....	555,927	546,616	9,311	625,392
Interest and fiscal charges .....	446,465	438,987	7,478	428,601
Total expenditures .....	36,078,837	35,645,994	432,843	32,945,702
Other financing uses:				
Operating transfers out .....	209,976	161,100	48,876	73,249
Stabilization transfer .....	122,000	48,806	73,194	459,767
State Retiree Benefits transfer .....	—	42,584	(42,584)	27,346
Commonwealth care transfer .....	—	—	—	390,079
Medical assistance transfer .....	639,500	70,975	568,525	395,025
Delivery system transformation initiatives trust transfer .....	218,962	116,171	102,791	70,732
Other fund deficit support .....	—	42,896	(42,896)	148,019
Total other financing uses .....	1,190,438	482,532	707,906	1,564,217
Total expenditures and other financing uses .....	37,269,275	36,128,526	1,140,749	34,509,919
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses .....	(934,309)	55,232	989,541	(129,101)
Fund balance (deficit) at beginning of year .....	144,129	144,129	—	273,230
Fund balance (deficit) at end of year .....	\$ (790,180)	\$ 199,361	\$ 989,541	\$ 144,129

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# Commonwealth Transportation Fund

## Balance Sheet - Statutory Basis

June 30, 2015

(Amounts in thousands)

	2015	2014
<b>ASSETS</b>		
Cash and short-term investments .....	\$ 428	\$ 608
Cash with fiscal agent .....	13,903	14,384
Total assets .....	<u>\$ 14,331</u>	<u>\$ 14,992</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable .....	\$ 428	\$ 608
Total liabilities .....	<u>428</u>	<u>608</u>
Fund balance:		
Reserved fund balance:		
Reserved for debt service .....	13,903	14,384
Total fund balance .....	<u>13,903</u>	<u>14,384</u>
Total liabilities and fund balance .....	<u>\$ 14,331</u>	<u>\$ 14,992</u>

See accountants' review report

**Commonwealth Transportation Fund**  
Statement of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis  
Fiscal Year Ended June 30, 2015  
(Amounts in thousands)

	2015 Budget	2015 Actual	Variance Favorable (Unfavorable)	2014 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes .....	\$ 1,296,700	\$ 1,265,166	\$ (31,534)	\$ 1,231,994
Assessments .....	23,578	22,178	(1,400)	22,211
Departmental .....	652,570	645,810	(6,760)	522,364
Miscellaneous .....	—	225	225	2,430
Total revenues .....	<u>1,972,848</u>	<u>1,933,379</u>	<u>(39,469)</u>	<u>1,778,999</u>
Other financing sources:				
Operating transfers in .....	75,000	—	(75,000)	11,428
Other fund deficit support .....	—	71,485	71,485	102,495
Total other financing sources .....	<u>75,000</u>	<u>71,485</u>	<u>(3,515)</u>	<u>113,923</u>
Total revenues and other financing sources .....	<u>2,047,848</u>	<u>2,004,864</u>	<u>(42,984)</u>	<u>1,892,922</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Massachusetts Department of Transportation .....	122,553	122,553	—	275,200
Debt service:				
Principal retirement .....	748,804	735,408	13,396	616,364
Interest and fiscal charges .....	486,315	460,888	25,427	456,853
Total expenditures .....	<u>1,357,672</u>	<u>1,318,849</u>	<u>38,823</u>	<u>1,348,417</u>
Other financing uses:				
Operating transfers out .....	660,155	655,328	4,827	515,089
State Retiree Benefits transfer .....	—	31,168	(31,168)	29,064
Total other financing uses .....	<u>660,155</u>	<u>686,496</u>	<u>(26,341)</u>	<u>544,153</u>
Total expenditures and other financing uses .....	<u>2,017,827</u>	<u>2,005,345</u>	<u>12,482</u>	<u>1,892,570</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses .....	30,021	(481)	(30,502)	352
Fund balance (deficit) at beginning of year .....	14,384	14,384	—	14,032
Fund balance (deficit) at end of year .....	<u>\$ 44,405</u>	<u>\$ 13,903</u>	<u>\$ (30,502)</u>	<u>\$ 14,384</u>

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# Commonwealth Stabilization Fund

## Balance Sheet - Statutory Basis

June 30, 2015

(Amounts in thousands)

	2015	2014
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 988,004	\$ 986,598
Investments.....	264,425	261,837
Total assets.....	<u>\$ 1,252,429</u>	<u>\$ 1,248,435</u>
<b>LIABILITIES AND FUND EQUITY</b>		
Liabilities:		
Accounts payable.....	\$ —	\$ —
Total liabilities.....	<u>—</u>	<u>—</u>
Fund balance:		
Reserved fund balance:		
Reserved for Commonwealth Stabilization.....	1,252,429	1,248,435
Total fund balance.....	<u>1,252,429</u>	<u>1,248,435</u>
Total liabilities and fund balance.....	<u>\$ 1,252,429</u>	<u>\$ 1,248,435</u>

See accountants' review report

## Commonwealth Stabilization Fund

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

Fiscal Year Ended June 30, 2015

(Amounts in thousands)

	2015 Budget	2015 Actual	Variance Favorable (Unfavorable)	2014 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes .....	\$ —	\$ 647	\$ 647	\$ 867
Miscellaneous .....	10,650	4,646	(6,004)	7,259
Total revenues .....	<u>10,650</u>	<u>5,293</u>	<u>(5,357)</u>	<u>8,126</u>
Other financing sources:				
Stabilization transfer .....	142,000	143,507	1,507	459,767
Total other financing sources .....	<u>142,000</u>	<u>143,507</u>	<u>1,507</u>	<u>459,767</u>
Total revenues and other financing sources .....	<u>152,650</u>	<u>148,800</u>	<u>(3,850)</u>	<u>467,893</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 .....	—	—	—	2,273
State Pension transfer .....	—	—	—	2,273
Stabilization transfer .....	162,850	144,806	18,044	771,569
Total other financing uses .....	<u>162,850</u>	<u>144,806</u>	<u>18,044</u>	<u>776,115</u>
Total expenditures and other financing uses .....	<u>162,850</u>	<u>144,806</u>	<u>18,044</u>	<u>776,115</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses .....	(10,200)	3,994	14,194	(308,222)
Fund balance (deficit) at beginning of year .....	<u>1,248,435</u>	<u>1,248,435</u>	<u>—</u>	<u>1,556,657</u>
Fund balance (deficit) at end of year .....	<u>\$ 1,238,235</u>	<u>\$ 1,252,429</u>	<u>\$ 14,194</u>	<u>\$ 1,248,435</u>

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

June 30, 2015  
(Amounts in thousands)

	2015	2014
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 43,611	\$ 41,709
Total assets.....	\$ 43,611	\$ 41,709
<b>LIABILITIES AND FUND EQUITY</b>		
Liabilities:		
Accounts payable.....	\$ 27,292	\$ 27,296
Accrued payroll.....	5,333	4,184
Total liabilities.....	32,625	31,480
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	10,986	10,229
Total fund balance.....	10,986	10,229
Total liabilities and fund balance.....	\$ 43,611	\$ 41,709

See accountants' review report

## Intragovernmental Service Fund

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

Fiscal Year Ended June 30, 2015

(Amounts in thousands)

	2015 Budget	2015 Actual	Variance Favorable (Unfavorable)	2014 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental .....	\$ —	\$ 379,264	\$ 379,264	\$ 354,758
Total revenues .....	—	379,264	379,264	354,758
Other financing sources:				
Operating transfers in .....	—	—	—	—
Total other financing sources .....	—	—	—	—
Total revenues and other financing sources .....	—	379,264	379,264	354,758
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Secretary of the Commonwealth .....	116	104	12	99
Comptroller .....	5,272	4,731	541	4,270
Administration and Finance .....	256,073	211,368	44,705	197,457
Energy and Environmental Affairs .....	1,467	1,431	36	1,384
Health and Human Services .....	120,743	98,148	22,595	91,045
Executive Office of Education .....	1,860	103	1,757	456
Public Safety and Homeland Security .....	59,327	50,752	8,575	48,364
Housing and Economic Development .....	2,525	1,795	730	1,541
Labor and Workforce Development .....	19,042	—	19,042	—
Debt service:				
Principal retirement .....	10,540	8,506	2,034	6,218
Total expenditures .....	476,965	376,938	100,027	350,834
Other financing uses:				
Operating transfers out .....	—	1,569	(1,569)	3,478
Total other financing uses .....	—	1,569	(1,569)	3,478
Total expenditures and other financing uses .....	476,965	378,507	98,458	354,312
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses .....	(476,965)	757	477,722	446
Fund balance (deficit) at beginning of year .....	10,229	10,229	—	9,783
Fund balance (deficit) at end of year .....	\$ (466,736)	\$ 10,986	\$ 477,722	\$ 10,229

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# Inland Fisheries And Game Fund

## Balance Sheet - Statutory Basis

June 30, 2015

(Amounts in thousands)

	2015	2014
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 18,181	\$ 18,548
Total assets.....	<u>\$ 18,181</u>	<u>\$ 18,548</u>
<b>LIABILITIES AND FUND EQUITY</b>		
Liabilities:		
Accounts payable.....	\$ 1,736	\$ 772
Accrued payroll.....	411	343
Total liabilities.....	<u>2,147</u>	<u>1,115</u>
Fund balance:		
Undesignated.....	16,034	17,433
Total fund balance.....	<u>16,034</u>	<u>17,433</u>
Total liabilities and fund balance.....	<u>\$ 18,181</u>	<u>\$ 18,548</u>

See accountants' review report

## Inland Fisheries And Game Fund

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

Fiscal Year Ended June 30, 2015

(Amounts in thousands)

	2015 Budget	2015 Actual	Variance Favorable (Unfavorable)	2014 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes .....	\$ 1,000	\$ 986	\$ (14)	\$ 962
Federal grants and reimbursements .....	5,600	8,095	2,495	6,005
Departmental .....	7,361	7,294	(67)	7,079
Miscellaneous .....	32	45	13	40
<b>Total revenues .....</b>	<b>13,993</b>	<b>16,420</b>	<b>2,427</b>	<b>14,086</b>
Other financing sources:				
Operating transfers in .....	130	187	57	179
<b>Total other financing sources .....</b>	<b>130</b>	<b>187</b>	<b>57</b>	<b>179</b>
<b>Total revenues and other financing sources .....</b>	<b>14,123</b>	<b>16,607</b>	<b>2,484</b>	<b>14,265</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Administration and Finance .....	126	94	32	118
Energy and Environmental Affairs .....	16,179	15,647	532	13,262
<b>Total expenditures .....</b>	<b>16,305</b>	<b>15,741</b>	<b>564</b>	<b>13,380</b>
Other financing uses				
Fringe benefit cost assessment .....	1,939	2,265	(326)	2,055
<b>Total other financing uses .....</b>	<b>1,939</b>	<b>2,265</b>	<b>(326)</b>	<b>2,055</b>
<b>Total expenditures and other financing uses .....</b>	<b>18,244</b>	<b>18,006</b>	<b>238</b>	<b>15,435</b>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses .....	(4,121)	(1,399)	2,722	(1,170)
Fund balance (deficit) at beginning of year .....	17,433	17,433	—	18,603
<b>Fund balance (deficit) at end of year .....</b>	<b>\$ 13,312</b>	<b>\$ 16,034</b>	<b>\$ 2,722</b>	<b>\$ 17,433</b>

See accountants' review report

# Marine Recreational Fisheries Development Fund

## Balance Sheet - Statutory Basis

June 30, 2015

(Amounts in thousands)

	2015	2014
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 2,766	\$ 2,538
Total assets.....	<u>\$ 2,766</u>	<u>\$ 2,538</u>
<b>LIABILITIES AND FUND EQUITY</b>		
Liabilities:		
Accounts payable.....	\$ 173	\$ 123
Accrued payroll.....	27	16
Total liabilities.....	<u>200</u>	<u>139</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	2,566	2,399
Total fund balance.....	<u>2,566</u>	<u>2,399</u>
Total liabilities and fund balance.....	<u>\$ 2,766</u>	<u>\$ 2,538</u>

See accountants' review report

## Marine Recreational Fisheries Development Fund

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

Fiscal Year Ended June 30, 2015

(Amounts in thousands)

	2015 Budget	2015 Actual	Variance Favorable (Unfavorable)	2014 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental .....	\$ 1,385	\$ 1,429	\$ 44	\$ 1,408
Total revenues .....	1,385	1,429	44	1,408
Other financing sources:				
Operating transfers in .....	—	—	—	—
Total other financing sources .....	—	—	—	—
Total revenues and other financing sources .....	1,385	1,429	44	1,408
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Energy and Environmental Affairs .....	1,341	1,158	183	890
Total expenditures .....	1,341	1,158	183	890
Other financing uses				
Fringe benefit cost assessment .....	—	104	(104)	95
Total other financing uses .....	—	104	(104)	95
Total expenditures and other financing uses .....	1,341	1,262	79	985
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses .....	44	167	123	423
Fund balance (deficit) at beginning of year .....	2,399	2,399	—	1,976
Fund balance (deficit) at end of year .....	\$ 2,443	\$ 2,566	\$ 123	\$ 2,399

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**Public Safety Training Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2015  
(Amounts in thousands)

	2015	2014
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 1,182	\$ 568
Total assets.....	\$ 1,182	\$ 568
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ —	\$ —
Total liabilities.....	—	—
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	1,182	568
Total fund balance (deficit).....	1,182	568
Total liabilities and fund balance.....	\$ 1,182	\$ 568

See accountants' review report

## Public Safety Training Fund

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

Fiscal Year Ended June 30, 2015

(Amounts in thousands)

	2015 Budget	2015 Actual	Variance Favorable (Unfavorable)	2014 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental .....	\$ —	\$ 1,406	\$ 1,406	\$ 568
Miscellaneous .....	—	—	—	—
<b>Total revenues .....</b>	<b>—</b>	<b>1,406</b>	<b>1,406</b>	<b>568</b>
Other financing sources:				
Operating transfers in .....	—	—	—	—
<b>Total other financing sources .....</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total revenues and other financing sources .....</b>	<b>—</b>	<b>1,406</b>	<b>1,406</b>	<b>568</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Administration and finance .....	—	—	—	—
<b>Total expenditures .....</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Other financing uses:				
Operating transfers out .....	—	792	(792)	—
<b>Total other financing uses .....</b>	<b>—</b>	<b>792</b>	<b>(792)</b>	<b>—</b>
<b>Total expenditures and other financing uses .....</b>	<b>—</b>	<b>792</b>	<b>(792)</b>	<b>—</b>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses .....	—	614	614	568
Fund balance (deficit) at beginning of year .....	568	568	—	—
<b>Fund balance (deficit) at end of year .....</b>	<b>\$ 568</b>	<b>\$ 1,182</b>	<b>\$ 614</b>	<b>\$ 568</b>

See accountants' review report

## Children and Families Protection Fund

### Balance Sheet - Statutory Basis

June 30, 2015

(Amounts in thousands)

	2015	2014
<b>ASSETS</b>		
Cash and short-term investments.....	\$ —	\$ —
Total assets.....	\$ —	\$ —
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ —	\$ —
Total liabilities.....	—	—
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	—	—
Total fund balance (deficit).....	—	—
Total liabilities and fund balance.....	\$ —	\$ —

See accountants' review report

## Children and Families Protection Fund

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

Fiscal Year Ended June 30, 2015

(Amounts in thousands)

	2015 Budget	2015 Actual	Variance Favorable (Unfavorable)	2014 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental .....	\$ —	\$ —	\$ —	\$ 1
Total revenues .....	—	—	—	1
Other financing sources:				
Operating transfers in .....	—	—	—	—
Total other financing sources .....	—	—	—	—
Total revenues and other financing sources .....	—	—	—	1
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Health and human services .....	—	—	—	—
Total expenditures .....	—	—	—	—
Other financing uses:				
Operating transfers out .....	—	—	—	1
Total other financing uses .....	—	—	—	1
Total expenditures and other financing uses .....	—	—	—	1
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses .....	—	—	—	—
Fund balance (deficit) at beginning of year .....	—	—	—	—
Fund balance (deficit) at end of year .....	\$ —	\$ —	\$ —	\$ —

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**Community First Trust Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2015  
(Amounts in thousands)

	2015	2014
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 72,433	\$ —
Total assets.....	\$ 72,433	\$ —
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ —	\$ —
Total liabilities.....	—	—
Fund balance:		
Unreserved fund balance:		
Undesignated.....	72,433	—
Total fund balance.....	72,433	—
Total liabilities and fund balance.....	\$ 72,433	\$ —

See accountants' review report

## Community First Trust Fund

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

Fiscal Year Ended June 30, 2015

(Amounts in thousands)

	2015 Budget	2015 Actual	Variance Favorable (Unfavorable)	2014 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Federal grants and reimbursements .....	\$ —	\$ 83,470	\$ 83,470	\$ —
Total revenues .....	—	83,470	83,470	—
Other financing sources:				
Operating transfers in .....	—	—	—	—
Total other financing sources .....	—	—	—	—
Total revenues and other financing sources .....	—	83,470	83,470	—
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Health and Human Services .....	—	—	—	—
Total expenditures .....	—	—	—	—
Other financing uses:				
Operating transfers out .....	—	11,037	(11,037)	—
Total other financing uses .....	—	11,037	(11,037)	—
Total expenditures and other financing uses .....	—	11,037	(11,037)	—
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses .....	—	72,433	72,433	—
Fund balance (deficit) at beginning of year .....	—	—	—	—
Fund balance (deficit) at end of year .....	\$ —	\$ 72,433	\$ 72,433	\$ —

See accountants' review report

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

June 30, 2015  
(Amounts in thousands)

	2015	2014
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 4,724	\$ 1,376
Total assets.....	\$ 4,724	\$ 1,376
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 2,974	\$ 1,279
Accrued payroll.....	69	77
Total liabilities.....	3,043	1,356
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	1,681	20
Total fund balance.....	1,681	20
Total liabilities and fund balance.....	\$ 4,724	\$ 1,376

See accountants' review report

## Massachusetts Tourism Fund

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

Fiscal Year Ended June 30, 2015

(Amounts in thousands)

	2015 Budget	2015 Actual	Variance Favorable (Unfavorable)	2014 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes .....	\$ 49,600	\$ 52,745	\$ 3,145	\$ 48,472
Total revenues .....	49,600	52,745	3,145	48,472
Other financing sources:				
Operating transfers in .....	1,690	2,513	823	113
Total other financing sources .....	1,690	2,513	823	113
Total revenues and other financing sources .....	51,290	55,258	3,968	48,585
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Governor and Lieutenant Governor .....	—	—	—	17
Housing and Economic Development .....	23,385	21,704	1,681	25,182
Total expenditures .....	23,385	21,704	1,681	25,199
Other financing uses:				
Fringe benefit cost assessment .....	356	494	(138)	480
Operating transfers out .....	—	—	—	3,009
Stabilization transfer .....	—	19,337	(19,337)	—
Other fund deficit support .....	—	12,062	(12,062)	19,953
Total other financing uses .....	356	31,893	(31,537)	23,442
Total expenditures and other financing uses .....	23,741	53,597	(29,856)	48,641
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses .....	27,549	1,661	(25,888)	(56)
Fund balance (deficit) at beginning of year .....	20	20	—	76
Fund balance (deficit) at end of year .....	\$ 27,569	\$ 1,681	\$ (25,888)	\$ 20

See accountants' review report

**Local Capital Projects Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2015  
(Amounts in thousands)

	2015	2014
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 3,864	\$ 21,250
Total assets.....	\$ 3,864	\$ 21,250
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 3,864	\$ —
Total liabilities.....	3,864	—
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	—	21,250
Total fund balance (deficit).....	—	21,250
Total liabilities and fund balance.....	\$ 3,864	\$ 21,250

See accountants' review report

## Local Capital Projects Fund

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

Fiscal Year Ended June 30, 2015

(Amounts in thousands)

	2015 Budget	2015 Actual	Variance Favorable (Unfavorable)	2014 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental .....	\$ —	\$ —	\$ —	\$ —
Total revenues .....	—	—	—	—
Other financing sources:				
Operating transfers in .....	12,380	18,425	6,045	825
Other deficit support .....	—	—	—	20,425
Total other financing sources .....	12,380	18,425	6,045	21,250
Total revenues and other financing sources .....	12,380	18,425	6,045	21,250
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Housing and Economic Development .....	—	—	—	—
Total expenditures .....	—	—	—	—
Other financing uses:				
Stabilization transfer .....	—	24,437	(24,437)	—
Other fund deficit support .....	—	15,238	(15,238)	—
Total other financing uses .....	—	39,675	(39,675)	—
Total expenditures and other financing uses .....	—	39,675	(39,675)	—
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses .....	12,380	(21,250)	(33,630)	21,250
Fund balance (deficit) at beginning of year .....	21,250	21,250	—	—
Fund balance (deficit) at end of year .....	<u>\$ 33,630</u>	<u>\$ —</u>	<u>\$ (33,630)</u>	<u>\$ 21,250</u>

See accountants' review report

**Gaming Local Aid Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2015  
(Amounts in thousands)

	2015	2014
<b>ASSETS</b>		
Cash and short-term investments.....	\$ —	\$ —
Total assets.....	\$ —	\$ —
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ —	\$ —
Total liabilities.....	—	—
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	—	—
Total fund balance (deficit).....	—	—
Total liabilities and fund balance.....	\$ —	\$ —

See accountants' review report

## Gaming Local Aid Fund

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

Fiscal Year Ended June 30, 2015

(Amounts in thousands)

	2015 Budget	2015 Actual	Variance Favorable (Unfavorable)	2014 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental .....	\$ —	\$ —	\$ —	\$ —
Total revenues .....	—	—	—	—
Other financing sources:				
Operating transfers in .....	—	1,961	1,961	—
Other deficit support .....	—	17,994	17,994	—
Total other financing sources .....	—	19,955	19,955	—
Total revenues and other financing sources .....	—	19,955	19,955	—
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Administration and Finance .....	19,955	19,955	—	—
Total expenditures .....	19,955	19,955	—	—
Other financing uses:				
Operating transfers out .....	—	—	—	—
Total other financing uses .....	—	—	—	—
Total expenditures and other financing uses .....	19,955	19,955	—	—
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses .....	(19,955)	—	19,955	—
Fund balance (deficit) at beginning of year .....	—	—	—	—
Fund balance (deficit) at end of year .....	<u>\$ (19,955)</u>	<u>\$ —</u>	<u>\$ 19,955</u>	<u>\$ —</u>

See accountants' review report

**Local Aid Stabilization Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2015  
(Amounts in thousands)

	2015	2014
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 7,400	\$ —
Total assets.....	\$ 7,400	\$ —
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ —	\$ 7,182
Accounts payable.....	7,350	1,143
Total liabilities.....	7,350	8,325
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	50	(8,325)
Total fund balance (deficit).....	50	(8,325)
Total liabilities and fund balance.....	\$ 7,400	\$ —

See accountants' review report

## Local Aid Stabilization Fund

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

Fiscal Year Ended June 30, 2015

(Amounts in thousands)

	2015 Budget	2015 Actual	Variance Favorable (Unfavorable)	2014 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental .....	\$ —	\$ —	\$ —	\$ —
Total revenues .....	—	—	—	—
Other financing sources:				
Operating transfers in .....	—	8,375	8,375	375
Total other financing sources .....	—	8,375	8,375	375
Total revenues and other financing sources .....	—	8,375	8,375	375
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Executive Office of Education .....	—	—	—	8,700
Total expenditures .....	—	—	—	8,700
Other financing uses:				
Operating transfers out .....	—	—	—	—
Total other financing uses .....	—	—	—	—
Total expenditures and other financing uses .....	—	—	—	8,700
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses .....	—	8,375	8,375	(8,325)
Fund balance (deficit) at beginning of year .....	(8,325)	(8,325)	—	—
Fund balance (deficit) at end of year .....	<u>\$ (8,325)</u>	<u>\$ 50</u>	<u>\$ 8,375</u>	<u>\$ (8,325)</u>

See accountants' review report

**Manufacturing Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2015

(Amounts in thousands)

	2015	2014
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 125	\$ 30
Total assets.....	\$ 125	\$ 30
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 62	\$ 30
Total liabilities.....	62	30
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	63	—
Total fund balance (deficit).....	63	—
Total liabilities and fund balance.....	\$ 125	\$ 30

See accountants' review report

## Manufacturing Fund

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

Fiscal Year Ended June 30, 2015

(Amounts in thousands)

	2015 Budget	2015 Actual	Variance Favorable (Unfavorable)	2014 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental .....	\$ —	\$ —	\$ —	\$ —
Total revenues .....	—	—	—	—
Other financing sources:				
Operating transfers in .....	14,640	21,775	7,135	975
Other fund deficit sources .....	—	—	—	12,608
Total other financing support .....	14,640	21,775	7,135	13,583
Total revenues and other financing sources .....	14,640	21,775	7,135	13,583
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Executive Office of Education .....	—	—	—	1,582
Housing and Economic Development .....	—	—	—	9,729
Labor and Workforce Development .....	—	—	—	2,000
Total expenditures .....	—	—	—	13,311
Other financing uses:				
Fringe benefit cost assessment .....	—	—	—	272
Operating transfers out .....	—	—	—	—
Stabilization transfer .....	—	13,373	(13,373)	—
Other fund deficit support .....	—	8,339	(8,339)	—
Total other financing uses .....	—	21,712	(21,712)	272
Total expenditures and other financing uses .....	—	21,712	(21,712)	13,583
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses .....	14,640	63	(14,577)	—
Fund balance (deficit) at beginning of year .....	—	—	—	—
Fund balance (deficit) at end of year .....	\$ 14,640	\$ 63	\$ (14,577)	\$ —

See accountants' review report

**Community College Fund**  
**Balance Sheet - Statutory Basis**

June 30, 2015  
(Amounts in thousands)

	2015	2014
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 831	\$ 778
Total assets.....	\$ 831	\$ 778
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accrued payroll.....	\$ 831	\$ 758
Total liabilities.....	831	758
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	—	20
Total fund balance (deficit).....	—	20
Total liabilities and fund balance.....	\$ 831	\$ 778

See accountants' review report

## Community College Fund

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

Fiscal Year Ended June 30, 2015

(Amounts in thousands)

	2015 Budget	2015 Actual	Variance Favorable (Unfavorable)	2014 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental .....	\$ —	\$ 2	\$ 2	\$ —
Total revenues .....	—	2	2	—
Other financing sources:				
Operating transfers in .....	19,140	28,475	9,335	1,275
Other fund deficit support .....	—	—	—	32,444
Total other financing sources .....	19,140	28,475	9,335	33,719
Total revenues and other financing sources .....	19,140	28,477	9,337	33,719
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Executive Office of Education .....	—	—	—	28,310
Total expenditures .....	—	—	—	28,310
Other financing uses:				
Fringe benefit cost assessment .....	—	—	—	5,389
Operating transfers out .....	—	—	—	—
Stabilization transfer .....	—	17,554	(17,554)	—
Other fund deficit support .....	—	10,943	(10,943)	—
Total other financing uses .....	—	28,497	(28,497)	5,389
Total expenditures and other financing uses .....	—	28,497	(28,497)	33,699
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses .....	19,140	(20)	(19,160)	20
Fund balance (deficit) at beginning of year .....	20	20	—	—
Fund balance (deficit) at end of year .....	\$ 19,160	\$ —	\$ (19,160)	\$ 20

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 FUNDS:**

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

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

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

## **UNIVERSAL HEALTH CARE FUNDS:**

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

***Catastrophic Illness in Children Relief Fund*** - to account for receipts from a portion of an employer's unemployment health insurance contribution and certain Federal financial participation. The assistance is for medical expenses of

childhood catastrophic illnesses not covered by any other state and federal program and subject to certain family income limits.

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

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

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

***Section 1202 Trust Fund*** - to account for amounts equal to the Federal Financial Participation (FFP) received for the portion of expenditures eligible for 100% FFP under Section 1202 of the Patient Protection and Affordable Care Act. The amount deposited shall not exceed the amount expended from the fund. Expenditures shall be exclusively for services provided in calendar years 2013 and 2014 that are eligible for 100% FFP under said Section 1202. No expenditure shall be made from the fund that shall cause the fund to be in deficit at the close of a fiscal year. This fund expires June 30, 2015.

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

***Money Follows the Person Rebalancing Demonstration Grant Trust Fund*** - to account for funds used for expenses that primarily benefit individuals who have disabilities or long-term illnesses or who are elders. The funds shall be used to 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.

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

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

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

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

**Community First Trust Fund** - The secretary of health and human services may expend not more than \$16,000,000 deposited in the fund. There shall be credited to the fund an amount equal to the increase in revenues from federal reimbursements resulting from the increased percentage points attributable to participation in the state balancing incentive payment program. There shall be credited to the fund an amount equal to the revenues received from federal financial participation earned on any qualifying expenditures sourced from the fund. No expenditure shall be made from the fund which shall cause the fund to be in deficit at the close of a fiscal year. Any remaining balance in the fund at the end of a fiscal year shall not revert to the General Fund but shall remain in the fund and be available for expenditure during the next fiscal year. Expenditures from the fund may be made for services provided in prior fiscal years.

## **OTHER FUNDS:**

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

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

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

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

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

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

**Essex Regional Emergency Communication Center Fund** - The fund shall be used for the operation of the Regional Emergency Communications Center (RECC) to provide centralized emergency communication services to participating communities. There shall be credited to the fund: (i) the per capita assessment based on population on each member city or town and (ii) any other funding, including, but not limited to, appropriation, gift, grant, contribution, transfer or investment. Expenditures from the fund shall be made for the operating costs of the RECC provided, however, that funds shall not be used toward the capital budget requirements of the Essex County Regional Emergency Communications Center.

**Dockside Testing Trust Fund** - to account for fees collected from harvesters of molluscan shellfish on Georges Bank in the amount of \$35,000 per vessel. Expenditures shall be for the administrative costs of the operations and programs of the department related to regulating and monitoring the shellfish harvesters, including the testing of shellfish as

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

***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.

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

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

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

***Health Information Technology Trust Fund*** - to account for federal reimbursements received under the Health Information Technology for Economic and Clinical Health Act and other revenues received from or in support of the health care provider incentive payment program for incentive payments to eligible Massachusetts Medicaid health care providers and for the promotion of electronic health record adoption and health information exchange in the

Commonwealth. This fund may incur a deficit, after approval from the Secretary of Administration and Finance, in an amount not to exceed the most recent revenue estimate as certified by the MassHealth Director.

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

***Housing Preservation and Stabilization Fund*** - to account for funds appropriated or transferred to the trust fund by the general court; and all interest earned on monies in the trust fund. Expenditures shall be made, without appropriation, only for providing affordable housing for low-income families and individuals in the commonwealth, particularly those most at risk of becoming homeless. The fund shall be in balance by the close of each fiscal year. Balances remaining at the end of a fiscal year shall not revert to the General Fund.

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

***Veterans Independence Plus Initiative Trust Fund*** - to account for revenues collected by the department from this initiative. Expenditures from the fund shall be for the administration of the Veterans Independence Plus Initiative, a joint initiative of the United States Department of Veterans Affairs and the Administration on Aging in the United States Department of Health and Human Services. No expenditure shall be made from the fund which shall cause the fund to be in deficit at the close of a fiscal year. The secretary may expend from the fund for services provided in prior fiscal years.

***Massachusetts Environmental Police Trust Fund*** - to account for (i) all revenues collected of certain administrative surcharges; (ii) a 10 % maintenance fee charged on all division of law enforcement private details; (iii) any appropriations, bond proceeds or other monies authorized by the general court and specifically designated to be credited to the fund; (iv) interest or investment earnings on any such monies; and (v) all other amounts credited or transferred to the fund from any other fund or source. Amounts credited to the fund may be expended, without further appropriation, on programs and costs related to the division of law enforcement. The unexpended balance in the fund at the end of a fiscal year shall not revert to the General Fund but shall remain available for expenditure in subsequent fiscal years. No expenditure made from the fund shall cause the fund to become deficient at any point.

***Domestic and Sexual Violence Prevention and Victim Assistance Fund*** - to support innovative practices to prevent domestic and sexual violence and provide assistance to victims of domestic violence in the commonwealth. The fund shall be credited any appropriations, bond proceeds or other monies authorized by the general court, and any other monies which may be available for the purposes of the fund from any other source or sources. Any revenues, deposits, receipts or funds received shall be deposited in the fund and shall be available for the purposes described in this section, without further appropriation. Money remaining in the fund at the end of the year shall not revert to the General Fund.

***Massachusetts Seafood Marketing Program Fund*** - to account for (i) a portion of the monies collected from the sale of commercial harvester and dealer permits issued by the division in an amount not to exceed \$250,000 per fiscal year; (ii) any appropriations, grants, gifts or other monies authorized by the general court or other parties and specifically designated to be credited to the fund; and (iii) any income derived from the investment of amounts credited to the fund. All amounts credited to the fund shall be used without further appropriation for the purpose of developing and administering the seafood marketing program. No expenditure from the fund shall cause the fund to be in deficiency at the close of a fiscal year. Monies deposited in the fund that are unexpended at the end of the fiscal year shall not revert to the General Fund and shall be available for expenditure in the subsequent year. The fund shall be exempt from the indirect and fringe benefits that would otherwise be assessed pursuant to this chapter.

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

***Natural Heritage and Endangered Species Fund*** - to account for revenues from public and private sources and/or the federal government as reimbursements, grants, donations or other receipts; used to acquire by purchase, lease, easement

or license land critical to nongame wildlife and endangered species for purposes of protecting and enhancing nongame wildlife.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

income tax return and from public and private sources as gifts, grants and donations to further reduce the population of homeless animals.

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

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

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

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

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

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

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

***Massachusetts AIDS Fund*** - to account for revenues received by the Commonwealth pursuant to the voluntary check-off donation indicated on the Department of Revenue's annual income tax return, from public and private sources as gifts, grants, and donations; used for research, treatment, and education related to acquired immune deficiency syndrome.  
***Trust Fund for the Head Injury Treatment Services Fund*** - to account for revenues from a surcharge on fines resulting from "driving under the influence" convictions; funds the Massachusetts Rehabilitation Commission's statewide head injury program to develop and maintain non-residential rehabilitation services for head injured persons.

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

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

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

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

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

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

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

***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.

***Capital Needs Investment Fund*** - to account for funds specifically appropriated to the fund by the legislature. The funds shall be held by the secretary of housing and economic development as trustee without further appropriation for the restoration costs of the Mayflower II and the construction of a public safety building in the town of Barre. The fund shall expire on December 31, 2020 at which time the fund shall be repealed and any unexpended balance and interest shall be transferred to the General Fund.

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

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

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

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

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

***Transportation Infrastructure and Development Fund*** - to account for monies transferred from the Gaming Revenue Fund and all other monies credited or transferred to the fund from any other fund or source and proceeds from the investment of such funds. Any expenditures from this fund shall be solely for the purpose of transportation and related infrastructure projects 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.

***The following funds have been enacted in legislation but were inactive in FY15 and are not presented in this report:***

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

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

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

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

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

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

***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.

***Housing and Economic Development Trust Fund*** - to account for (i) grants, bequests, gifts or contributions of cash or securities, or contributions of services or property in kind from any persons or other governmental, nongovernmental, quasi-governmental or local governmental entities and (ii) all interest earned on monies in the trust. Expenditures shall be made only for the following purposes: (i) operating costs of the executive office of housing and community development, including the divisions and programs within the executive office; (ii) operating costs of the Massachusetts marketing partnership and the offices within the partnership, and (iii) costs associated with housing and economic development programs, grants and initiatives of the secretary. The trustee shall insure that no expenditures from the fund shall cause the fund to be in deficiency at the close of a fiscal year.

***Climate Change Adaptation Infrastructure Investment Fund*** - to account for amounts credited or transferred to the fund by the general court or any other source including, without limitation, federal grants, loan repayments, investment earnings on monies in the fund and any other amounts required to be credited to the fund. Monies deposited into the fund that are unexpended at the end of the fiscal year shall not revert to the General Fund and shall be available for expenditure in the subsequent fiscal year. Amounts credited to the fund may be used, without further appropriation, for the costs associated with the operations of the division of waterways and the office of dam safety within the department of conservation and recreation, the department of environmental protection, the department of fish and game and its divisions and the office of coastal zone management for the costs associated with operations. The fund shall be used to provide grants or loans to agencies of the commonwealth and local governmental bodies to finance or refinance costs of inspection, repair and removal projects including, but not limited to, projects related to seawalls, jetties, revetments, retaining wall, and inland flood control; provided, however, that the secretary of energy and environmental affairs shall require a local match for any funds provided to a local governmental body.

***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

***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.

***Logan Airport Health Study Trust Fund*** - to account for monies allocated by the Massachusetts Port Authority or any other public or private entity to the department of public health to conduct public health activities associated with the Logan Airport Health Study. Funds shall be expended without further appropriation for administration and project management activities and for direct support to community health centers within the study area. The department may incur expenses and the comptroller may certify for payment amounts in anticipation of expected receipts, but no expenditure shall be made from the fund that would cause the fund to be in deficit at the close of a fiscal year. Monies deposited in the fund that are unexpended at the end of the fiscal year shall not revert to the General Fund.

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

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

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

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

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

***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.

**Non-Budgeted Special Revenue Funds**  
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances  
Fiscal Year Ended June 30, 2015  
(Amounts in thousands)

	Lotteries			Gaming			Universal Health Care Funds	
	Federal Grants	State Lottery	Arts Lottery	Gaming Control Fund	Gaming Revenue Fund	Gaming Licensing	Catastrophic Illness in Children Relief	Commonwealth Care Trust
<b>REVENUES AND OTHER FINANCING SOURCES</b>								
Revenues:								
Taxes .....	\$ —	\$ 566	\$ —	\$ —	\$ 1,961	\$ —	\$ —	\$ 156,477
Assessments .....	—	—	—	—	—	—	—	—
Federal grants and reimbursements .....	2,268,784	—	—	—	—	—	—	—
Departmental .....	—	5,135,297	58,176	5,422	—	170,000	—	160,108
Miscellaneous .....	—	919	43	—	—	—	—	25,544
Total revenues .....	<u>2,268,784</u>	<u>5,136,782</u>	<u>58,219</u>	<u>5,422</u>	<u>1,961</u>	<u>170,000</u>	<u>—</u>	<u>342,129</u>
Other financing sources:								
Bond premiums (discounts) on Special obligation bonds ..	—	—	—	—	—	—	—	—
Operating transfers in .....	751	—	—	—	—	—	2,903	—
Commonwealth care trust transfer .....	—	—	—	—	—	—	—	—
Health safety net trust transfer .....	—	—	—	—	—	—	—	—
Medical assistance transfer .....	—	—	—	—	—	—	—	—
Delivery system transformation initiatives trust transfer ..	—	—	—	—	—	—	—	—
Total other financing sources .....	<u>751</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,903</u>	<u>—</u>
Total revenues and other financing sources .....	<u>2,269,535</u>	<u>5,136,782</u>	<u>58,219</u>	<u>5,422</u>	<u>1,961</u>	<u>170,000</u>	<u>2,903</u>	<u>342,129</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>								
Expenditures:								
Judiciary .....	965	—	—	—	—	—	—	—
Inspector General .....	—	—	—	—	—	—	—	—
Governor and Lieutenant Governor .....	—	—	—	—	—	—	—	—
Secretary of the Commonwealth .....	749	—	—	—	—	—	—	—
Treasurer and Receiver-General .....	1,111	4,059,196	49,336	—	—	—	—	—
Attorney General .....	11,368	—	—	399	—	—	—	—
District Attorney .....	1,497	—	—	—	—	—	—	—
Office of Campaign and Political Finance .....	—	—	—	—	—	—	—	—
Sheriff's Departments .....	4,040	—	—	—	—	—	—	—
Board of Library Commissioners .....	2,916	—	—	—	—	—	—	—
Massachusetts Gaming Commission .....	—	—	—	17,167	—	—	—	—
Comptroller .....	—	—	—	—	—	—	—	—
Administration and Finance .....	5,590	—	—	—	—	—	—	344,470
Energy and Environmental Affairs .....	48,968	—	—	—	—	—	—	—
Health and Human Services .....	440,475	—	—	127	—	—	2,118	—
Massachusetts Department of Transportation .....	150	—	—	—	—	—	—	—
Executive Office of Education .....	972,267	—	—	—	—	—	—	—
Center for Health Information and Analysis .....	789	—	—	—	—	—	—	—
Public Safety and Homeland Security .....	122,703	—	—	—	—	—	—	—
Housing and Economic Development .....	463,054	—	—	—	—	—	—	—
Labor and Workforce Development .....	150,453	—	—	—	—	—	—	1,455
Debt service:								
Principal retirement .....	—	—	—	—	—	—	—	—
Interest and fiscal charges .....	—	—	—	—	—	—	—	—
Total expenditures .....	<u>2,227,095</u>	<u>4,059,196</u>	<u>49,336</u>	<u>17,693</u>	<u>—</u>	<u>—</u>	<u>2,118</u>	<u>345,925</u>
Other financing uses:								
Fringe benefit cost assessment .....	56,972	8,131	—	1,202	—	—	87	251
Lottery operating reimbursements .....	—	104,238	—	—	—	—	—	—
Lottery distributions .....	—	947,250	—	—	—	—	—	—
Operating transfers out .....	42,110	17,967	8,883	1,642	1,961	151,838	29	2,464
Stabilization transfer .....	—	—	—	—	—	20,000	—	—
Health safety net trust transfer .....	—	—	—	—	—	—	—	—
Federal Reimbursement Transfers out .....	—	—	—	—	—	—	—	—
Total other financing uses .....	<u>99,082</u>	<u>1,077,586</u>	<u>8,883</u>	<u>2,844</u>	<u>1,961</u>	<u>171,838</u>	<u>116</u>	<u>2,715</u>
Total expenditures and other financing uses .....	<u>2,326,177</u>	<u>5,136,782</u>	<u>58,219</u>	<u>20,537</u>	<u>1,961</u>	<u>171,838</u>	<u>2,234</u>	<u>348,640</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses .....	(56,642)	—	—	(15,115)	—	(1,838)	669	(6,511)
Fund balances (deficits) at beginning of year (restated) .....	62,010	—	—	21,716	—	1,838	2,724	29,764
Fund balances (deficits) at end of year .....	<u>\$ 5,368</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 6,601</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 3,393</u>	<u>\$ 23,253</u>

See accountants' review report



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

Fiscal Year Ended June 30, 2015  
 (Amounts in thousands)

	Non-Budgeted Other Funds							
	Dam and Seawall Repair or Removal	Department of Telecommunication and Energy Trust	Fingerprint-Based Background Check Trust	Liability Management and Reduction	Medical Marijuana Trust	Essex Regional Emergency Communication Center	Dockside Testing Trust	Civil Monetary Penalty (CMP)
<b>REVENUES AND OTHER FINANCING SOURCES</b>								
Revenues:								
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Assessments	—	2,026	—	—	—	—	—	—
Federal grants and reimbursements	—	—	—	—	—	—	—	—
Departmental	—	—	7,397	2,028	1,264	—	105	831
Miscellaneous	96	2	—	2	—	661	—	—
<b>Total revenues</b>	<b>96</b>	<b>2,028</b>	<b>7,397</b>	<b>2,030</b>	<b>1,264</b>	<b>661</b>	<b>105</b>	<b>831</b>
Other financing sources:								
Bond premiums (discounts) on Special obligation bonds	—	—	—	—	—	—	—	—
Operating transfers in	—	—	—	—	—	—	—	—
Commonwealth care trust transfer	—	—	—	—	—	—	—	—
Health safety net trust transfer	—	—	—	—	—	—	—	—
Medical assistance transfer	—	—	—	—	—	—	—	—
Delivery system transformation initiatives trust transfer	—	—	—	—	—	—	—	—
<b>Total other financing sources</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total revenues and other financing sources</b>	<b>96</b>	<b>2,028</b>	<b>7,397</b>	<b>2,030</b>	<b>1,264</b>	<b>661</b>	<b>105</b>	<b>831</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>								
Expenditures:								
Judiciary	—	—	—	—	—	—	—	—
Inspector General	—	—	—	—	—	—	—	—
Governor and Lieutenant Governor	—	—	—	—	—	—	—	—
Secretary of the Commonwealth	—	—	—	—	—	—	—	—
Treasurer and Receiver-General	—	—	—	—	—	—	—	—
Attorney General	—	—	—	46	—	—	—	—
District Attorney	—	—	—	—	—	—	—	—
Office of Campaign and Political Finance	—	—	—	—	—	—	—	—
Sheriff's Departments	—	—	—	—	—	578	—	—
Board of Library Commissioners	—	—	—	—	—	—	—	—
Massachusetts Gaming Commission	—	—	—	—	—	—	—	—
Comptroller	—	—	—	1,574	—	—	—	—
Administration and Finance	—	—	—	—	—	—	—	—
Energy and Environmental Affairs	2,280	3,045	—	—	—	—	—	—
Health and Human Services	—	—	—	—	1,628	—	76	333
Massachusetts Department of Transportation	—	—	—	—	—	—	—	—
Executive Office of Education	—	—	47	—	—	—	—	—
Center for Health Information and Analysis	—	—	—	—	—	—	—	—
Public Safety and Homeland Security	—	—	4,651	—	—	—	—	—
Housing and Economic Development	—	—	—	—	—	—	—	—
Labor and Workforce Development	—	—	—	—	—	—	—	—
Debt service:								
Principal retirement	—	—	—	—	—	—	—	—
Interest and fiscal charges	—	—	—	—	—	—	—	—
<b>Total expenditures</b>	<b>2,280</b>	<b>3,045</b>	<b>4,698</b>	<b>1,620</b>	<b>1,628</b>	<b>578</b>	<b>76</b>	<b>333</b>
Other financing uses:								
Fringe benefit cost assessment	—	676	150	21	22	38	19	—
Lottery operating reimbursements	—	—	—	—	—	—	—	—
Lottery distributions	—	—	—	—	—	—	—	—
Operating transfers out	—	157	132	—	7	31	6	—
Stabilization transfer	—	—	—	—	—	—	—	—
Health safety net trust transfer	—	—	—	—	—	—	—	—
Federal Reimbursement Transfers out	—	—	—	—	—	—	—	—
<b>Total other financing uses</b>	<b>—</b>	<b>833</b>	<b>282</b>	<b>21</b>	<b>29</b>	<b>69</b>	<b>25</b>	<b>—</b>
<b>Total expenditures and other financing uses</b>	<b>2,280</b>	<b>3,878</b>	<b>4,980</b>	<b>1,641</b>	<b>1,657</b>	<b>647</b>	<b>101</b>	<b>333</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(2,184)	(1,850)	2,417	389	(393)	14	4	498
Fund balances (deficits) at beginning of year (restated)	19,649	4,708	860	1,929	393	22	280	3,057
<b>Fund balances (deficits) at end of year</b>	<b>\$ 17,465</b>	<b>\$ 2,858</b>	<b>\$ 3,277</b>	<b>\$ 2,318</b>	<b>\$ —</b>	<b>\$ 36</b>	<b>\$ 284</b>	<b>\$ 3,555</b>

See accountants' review report



**Non-Budgeted Special Revenue Funds**  
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances  
Fiscal Year Ended June 30, 2015  
(Amounts in thousands)

	Non-Budgeted Other Funds							
	County Registers Technological	State Election Campaign	Enhanced 911	Counsel for Indigent Salary Enhancement Trust	Smart Growth Housing Trust	Special Projects Permitting and Oversight	Division of Energy Resources Credit Trust	School Modernization and Reconstruction Trust
<b>REVENUES AND OTHER FINANCING SOURCES</b>								
Revenues:								
Taxes .....	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 764,110
Assessments .....	—	—	—	—	—	—	—	—
Federal grants and reimbursements .....	—	—	—	—	—	—	—	—
Departmental .....	1,849	—	75,701	—	—	1,625	—	—
Miscellaneous .....	—	236	95	—	—	—	3	—
Total revenues .....	<u>1,849</u>	<u>236</u>	<u>75,796</u>	<u>—</u>	<u>—</u>	<u>1,625</u>	<u>3</u>	<u>764,110</u>
Other financing sources:								
Bond premiums (discounts) on Special obligation bonds ..	—	—	—	—	—	—	—	—
Operating transfers in .....	—	—	—	—	—	—	—	—
Commonwealth care trust transfer .....	—	—	—	—	—	—	—	—
Health safety net trust transfer .....	—	—	—	—	—	—	—	—
Medical assistance transfer .....	—	—	—	—	—	—	—	—
Delivery system transformation initiatives trust transfer ..	—	—	—	—	—	—	—	—
Total other financing sources .....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total revenues and other financing sources .....	<u>1,849</u>	<u>236</u>	<u>75,796</u>	<u>—</u>	<u>—</u>	<u>1,625</u>	<u>3</u>	<u>764,110</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>								
Expenditures:								
Judiciary .....	—	—	—	—	—	—	—	—
Inspector General .....	—	—	—	—	—	—	—	—
Governor and Lieutenant Governor .....	—	—	—	—	—	—	—	—
Secretary of the Commonwealth .....	—	—	—	—	—	—	—	—
Treasurer and Receiver-General .....	—	—	—	—	—	—	—	764,110
Attorney General .....	—	—	—	—	—	—	—	—
District Attorney .....	—	—	—	—	—	—	—	—
Office of Campaign and Political Finance .....	—	1,055	—	—	—	—	—	—
Sheriff's Departments .....	—	—	3,833	—	—	—	—	—
Board of Library Commissioners .....	—	—	—	—	—	—	—	—
Massachusetts Gaming Commission .....	—	—	—	—	—	—	—	—
Comptroller .....	—	—	—	—	—	—	—	—
Administration and Finance .....	4,022	—	886	—	—	—	—	—
Energy and Environmental Affairs .....	—	—	—	—	—	338	71	—
Health and Human Services .....	—	—	59	—	—	—	—	—
Massachusetts Department of Transportation .....	—	—	—	—	—	—	—	—
Executive Office of Education .....	—	—	—	—	—	—	—	—
Center for Health Information and Analysis .....	—	—	—	—	—	—	—	—
Public Safety and Homeland Security .....	—	—	80,084	—	—	—	—	—
Housing and Economic Development .....	—	—	—	—	1,364	—	—	—
Labor and Workforce Development .....	—	—	—	—	—	—	—	—
Debt service:								
Principal retirement .....	—	—	—	—	—	—	—	—
Interest and fiscal charges .....	—	—	—	—	—	—	—	—
Total expenditures .....	<u>4,022</u>	<u>1,055</u>	<u>84,862</u>	<u>—</u>	<u>1,364</u>	<u>338</u>	<u>71</u>	<u>764,110</u>
Other financing uses:								
Fringe benefit cost assessment .....	—	—	2,065	—	—	26	—	—
Lottery operating reimbursements .....	—	—	—	—	—	—	—	—
Lottery distributions .....	—	—	—	—	—	—	—	—
Operating transfers out .....	—	—	1,858	—	—	15	9	—
Stabilization transfer .....	—	—	—	—	—	—	—	—
Health safety net trust transfer .....	—	—	—	—	—	—	—	—
Federal Reimbursement Transfers out .....	—	—	—	—	—	—	—	—
Total other financing uses .....	<u>—</u>	<u>—</u>	<u>3,923</u>	<u>—</u>	<u>—</u>	<u>41</u>	<u>9</u>	<u>—</u>
Total expenditures and other financing uses .....	<u>4,022</u>	<u>1,055</u>	<u>88,785</u>	<u>—</u>	<u>1,364</u>	<u>379</u>	<u>80</u>	<u>764,110</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses .....	(2,173)	(819)	(12,989)	—	(1,364)	1,246	(77)	—
Fund balances (deficits) at beginning of year (restated) ..	4,251	1,249	105,169	352	3,307	1,788	1,924	—
Fund balances (deficits) at end of year .....	<u>\$ 2,078</u>	<u>\$ 430</u>	<u>\$ 92,180</u>	<u>\$ 352</u>	<u>\$ 1,943</u>	<u>\$ 3,034</u>	<u>\$ 1,847</u>	<u>\$ —</u>

See accountants' review report



**Non-Budgeted Special Revenue Funds**  
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances  
Fiscal Year Ended June 30, 2015  
(Amounts in thousands)

	Non-Budgeted Other Funds							
	Housing Preservation and Stabilization	Office of Refugees and Immigrants Trust	Veterans Independence Plus Initiative Trust	Environmental Police Trust	Domestic and Sexual Violence Prevention and Victim Assistance	Seafood Marketing Program	Government Land Bank	Natural Heritage and Endangered Species
<b>REVENUES AND OTHER FINANCING SOURCES</b>								
Revenues:								
Taxes .....	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Assessments .....	—	—	—	—	—	—	—	—
Federal grants and reimbursements .....	—	—	—	—	—	—	—	1,453
Departmental .....	—	—	—	459	2	250	—	432
Miscellaneous .....	—	404	687	—	—	—	—	231
Total revenues .....	<u>—</u>	<u>404</u>	<u>687</u>	<u>459</u>	<u>2</u>	<u>250</u>	<u>—</u>	<u>2,116</u>
Other financing sources:								
Bond premiums (discounts) on Special obligation bonds .....	—	—	—	—	—	—	—	—
Operating transfers in .....	3,000	—	—	—	—	—	8,261	—
Commonwealth care trust transfer .....	—	—	—	—	—	—	—	—
Health safety net trust transfer .....	—	—	—	—	—	—	—	—
Medical assistance transfer .....	—	—	—	—	—	—	—	—
Delivery system transformation initiatives trust transfer .....	—	—	—	—	—	—	—	—
Total other financing sources .....	<u>3,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>8,261</u>	<u>—</u>
Total revenues and other financing sources .....	<u>3,000</u>	<u>404</u>	<u>687</u>	<u>459</u>	<u>2</u>	<u>250</u>	<u>8,261</u>	<u>2,116</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>								
Expenditures:								
Judiciary .....	—	—	—	—	—	—	—	—
Inspector General .....	—	—	—	—	—	—	—	—
Governor and Lieutenant Governor .....	—	—	—	—	—	—	—	—
Secretary of the Commonwealth .....	—	—	—	—	—	—	—	—
Treasurer and Receiver-General .....	—	—	—	—	—	—	—	—
Attorney General .....	—	—	—	—	—	—	—	—
District Attorney .....	—	—	—	—	—	—	—	—
Office of Campaign and Political Finance .....	—	—	—	—	—	—	—	—
Sheriff's Departments .....	—	—	—	—	—	—	—	—
Board of Library Commissioners .....	—	—	—	—	—	—	—	—
Massachusetts Gaming Commission .....	—	—	—	—	—	—	—	—
Comptroller .....	—	—	—	—	—	—	—	—
Administration and Finance .....	—	—	—	—	—	—	—	—
Energy and Environmental Affairs .....	—	—	—	340	—	23	—	1,506
Health and Human Services .....	—	343	970	—	—	—	—	—
Massachusetts Department of Transportation .....	—	—	—	—	—	—	—	—
Executive Office of Education .....	—	—	—	—	—	—	—	—
Center for Health Information and Analysis .....	—	—	—	—	—	—	—	—
Public Safety and Homeland Security .....	—	—	—	—	—	—	—	—
Housing and Economic Development .....	9,489	—	—	—	—	—	—	—
Labor and Workforce Development .....	—	—	—	—	—	—	—	—
Debt service:								
Principal retirement .....	—	—	—	—	—	—	5,834	—
Interest and fiscal charges .....	—	—	—	—	—	—	2,427	—
Total expenditures .....	<u>9,489</u>	<u>343</u>	<u>970</u>	<u>340</u>	<u>—</u>	<u>23</u>	<u>8,261</u>	<u>1,506</u>
Other financing uses:								
Fringe benefit cost assessment .....	—	—	—	54	—	5	—	104
Lottery operating reimbursements .....	—	—	—	—	—	—	—	—
Lottery distributions .....	—	—	—	—	—	—	—	—
Operating transfers out .....	—	3	—	31	—	216	—	—
Stabilization transfer .....	—	—	—	—	—	—	—	—
Health safety net trust transfer .....	—	—	—	—	—	—	—	—
Federal Reimbursement Transfers out .....	—	—	—	—	—	—	—	—
Total other financing uses .....	<u>—</u>	<u>3</u>	<u>—</u>	<u>85</u>	<u>—</u>	<u>221</u>	<u>—</u>	<u>104</u>
Total expenditures and other financing uses .....	<u>9,489</u>	<u>346</u>	<u>970</u>	<u>425</u>	<u>—</u>	<u>244</u>	<u>8,261</u>	<u>1,610</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses .....	(6,489)	58	(283)	34	2	6	—	506
Fund balances (deficits) at beginning of year (restated) .....	8,913	—	320	—	—	—	(35,033)	1,430
Fund balances (deficits) at end of year .....	<u>\$ 2,424</u>	<u>\$ 58</u>	<u>\$ 37</u>	<u>\$ 34</u>	<u>\$ 2</u>	<u>\$ 6</u>	<u>\$ (35,033)</u>	<u>\$ 1,936</u>

See accountants' review report



**Non-Budgeted Special Revenue Funds**  
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances  
Fiscal Year Ended June 30, 2015  
(Amounts in thousands)

	Non-Budgeted Other Funds							
	Human Services Salary Reserve	Victims of Human Trafficking Trust	Department of Public Utilities Storm Trust	Homeless Animal Prevention and Care	Horseneck Beach Reservation Trust	Environmental Trust	Social Innovation Financing Trust	Children's Trust
<b>REVENUES AND OTHER FINANCING SOURCES</b>								
Revenues:								
Taxes .....	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Assessments .....	—	—	276	—	—	—	—	—
Federal grants and reimbursements .....	—	—	—	—	—	—	—	—
Departmental .....	—	—	—	—	39	780	—	—
Miscellaneous .....	—	—	—	340	—	8	—	—
Total revenues .....	<u>—</u>	<u>—</u>	<u>276</u>	<u>340</u>	<u>39</u>	<u>788</u>	<u>—</u>	<u>—</u>
Other financing sources:								
Bond premiums (discounts) on Special obligation bonds .....	—	—	—	—	—	—	—	—
Operating transfers in .....	—	—	—	—	—	—	—	—
Commonwealth care trust transfer .....	—	—	—	—	—	—	—	—
Health safety net trust transfer .....	—	—	—	—	—	—	—	—
Medical assistance transfer .....	—	—	—	—	—	—	—	—
Delivery system transformation initiatives trust transfer .....	—	—	—	—	—	—	—	—
Total other financing sources .....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total revenues and other financing sources .....	<u>—</u>	<u>—</u>	<u>276</u>	<u>340</u>	<u>39</u>	<u>788</u>	<u>—</u>	<u>—</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>								
Expenditures:								
Judiciary .....	—	—	—	—	—	—	—	1
Inspector General .....	—	—	—	—	—	—	—	—
Governor and Lieutenant Governor .....	—	—	—	—	—	—	—	—
Secretary of the Commonwealth .....	—	—	—	—	—	—	—	—
Treasurer and Receiver-General .....	—	—	—	—	—	—	—	—
Attorney General .....	—	—	—	—	—	—	—	—
District Attorney .....	—	—	—	—	—	—	—	—
Office of Campaign and Political Finance .....	—	—	—	—	—	—	—	—
Sheriff's Departments .....	—	—	—	—	—	—	—	—
Board of Library Commissioners .....	—	—	—	—	—	—	—	—
Massachusetts Gaming Commission .....	—	—	—	—	—	—	—	—
Comptroller .....	—	—	—	—	—	—	—	—
Administration and Finance .....	—	—	—	—	—	—	621	—
Energy and Environmental Affairs .....	—	—	240	567	15	1,016	—	—
Health and Human Services .....	27	—	—	—	—	—	—	—
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 .....	—	—	—	—	—	—	—	—
Debt service:								
Principal retirement .....	—	—	—	—	—	—	—	—
Interest and fiscal charges .....	—	—	—	—	—	—	—	—
Total expenditures .....	<u>27</u>	<u>—</u>	<u>240</u>	<u>567</u>	<u>15</u>	<u>1,016</u>	<u>621</u>	<u>1</u>
Other financing uses:								
Fringe benefit cost assessment .....	—	—	61	16	—	65	—	—
Lottery operating reimbursements .....	—	—	—	—	—	—	—	—
Lottery distributions .....	—	—	—	—	—	—	—	—
Operating transfers out .....	—	—	14	—	—	41	—	—
Stabilization transfer .....	—	—	—	—	—	—	—	—
Health safety net trust transfer .....	—	—	—	—	—	—	—	—
Federal Reimbursement Transfers out .....	—	—	—	—	—	—	—	—
Total other financing uses .....	<u>—</u>	<u>—</u>	<u>75</u>	<u>16</u>	<u>—</u>	<u>106</u>	<u>—</u>	<u>—</u>
Total expenditures and other financing uses .....	<u>27</u>	<u>—</u>	<u>315</u>	<u>583</u>	<u>15</u>	<u>1,122</u>	<u>621</u>	<u>1</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses .....	(27)	—	(39)	(243)	24	(334)	(621)	(1)
Fund balances (deficits) at beginning of year (restated) .....	27	1	195	393	50	3,630	6,750	197
Fund balances (deficits) at end of year .....	<u>\$ —</u>	<u>\$ 1</u>	<u>\$ 156</u>	<u>\$ 150</u>	<u>\$ 74</u>	<u>\$ 3,296</u>	<u>\$ 6,129</u>	<u>\$ 196</u>

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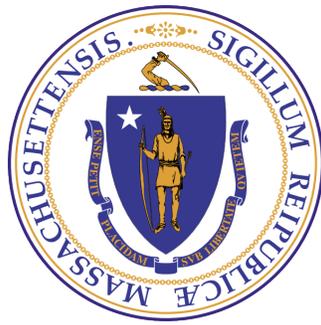


**Non-Budgeted Special Revenue Funds**  
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances  
Fiscal Year Ended June 30, 2015  
(Amounts in thousands)

	Non-Budgeted Other Funds					MassDOT		
	Grant Anticipation Note Trust	Race Horse Development	Community Mitigation Fund	Capital Needs Investment Fund	Debt Defeasance	Massachusetts Transportation Trust	Central Artery/Tunnel Project Repair and Maintenance	Motor Vehicle Safety Inspection Trust
<b>REVENUES AND OTHER FINANCING SOURCES</b>								
Revenues:								
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Assessments	—	—	—	—	—	—	—	—
Federal grants and reimbursements	510,855	—	—	—	—	67,353	—	—
Departmental	—	441	—	—	—	448,725	—	56,456
Miscellaneous	807	1	17,500	—	—	13,699	1,980	44
Total revenues	511,662	442	17,500	—	—	529,777	1,980	56,500
Other financing sources:								
Bond premiums (discounts) on special obligation bonds	—	—	—	—	—	—	—	—
Operating transfers in	32,087	8,375	—	5,014	113,200	661,041	—	—
Stabilization transfer	—	—	—	—	—	—	—	—
Commonwealth care trust transfer	—	—	—	—	—	—	—	—
Health safety net trust transfer	—	—	—	—	—	—	—	—
Medical assistance transfer	—	—	—	—	—	—	—	—
Delivery system transformation initiatives trust transfer	—	—	—	—	—	—	—	—
Total other financing sources	32,087	8,375	—	5,014	113,200	661,041	—	—
Total revenues and other financing sources	543,749	8,817	17,500	5,014	113,200	1,190,818	1,980	56,500
<b>EXPENDITURES AND OTHER FINANCING USES</b>								
Expenditures:								
Judiciary	—	—	—	—	—	—	—	—
Inspector General	—	—	—	—	—	—	—	—
Governor and Lieutenant Governor	—	—	—	—	—	—	—	—
Secretary of the Commonwealth	—	—	—	—	—	—	—	—
Treasurer and Receiver-General	675	—	—	—	—	298	—	—
Attorney General	—	—	—	—	—	4	—	—
District Attorney	—	—	—	—	—	—	—	—
Office of Campaign and Political Finance	—	—	—	—	—	—	—	—
Sheriff's Departments	—	—	—	—	—	969	—	—
Board of Library Commissioners	—	—	—	—	—	—	—	—
Massachusetts Gaming Commission	—	1,856	—	—	—	—	—	—
Comptroller	—	—	—	—	—	—	—	—
Administration and Finance	—	—	—	—	—	2,146	—	—
Energy and Environmental Affairs	—	—	—	—	—	2,791	—	2,239
Health and Human Services	—	—	—	—	—	204	—	—
Massachusetts Department of Transportation	—	—	—	—	—	1,130,371	2,333	12,125
Executive Office of Education	—	—	—	—	—	—	—	—
Center for Health Information and Analysis	—	—	—	—	—	—	—	—
Public Safety and Homeland Security	—	—	—	—	—	738	—	—
Housing and Economic Development	—	—	—	275	—	—	—	—
Labor and Workforce Development	—	—	—	—	—	8	—	—
Debt service:								
Principal retirement	178,390	—	—	—	—	—	—	—
Interest and fiscal charges	29,068	—	—	—	—	—	—	—
Total expenditures	208,133	1,856	—	275	—	1,137,529	2,333	14,364
Other financing uses:								
Fringe benefit cost assessment	—	—	—	—	—	75,964	—	1,113
Lottery operating reimbursements	—	—	—	—	—	—	—	—
Lottery distributions	—	—	—	—	—	—	—	—
Operating transfers out	—	—	—	—	—	5,793	—	41,172
Stabilization transfer	—	—	—	—	—	—	—	—
Health safety net trust transfer	—	—	—	—	—	—	—	—
Federal Reimbursement Transfers out	468,040	—	—	—	—	—	—	—
Total other financing uses	468,040	—	—	—	—	81,757	—	42,285
Total expenditures and other financing uses	676,173	1,856	—	275	—	1,219,286	2,333	56,649
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(132,424)	6,961	17,500	4,739	113,200	(28,468)	(353)	(149)
Fund balances (deficits) at beginning of year (restated)	218,883	375	—	—	—	862,051	385,444	8,996
Fund balances (deficits) at end of year	\$ 86,459	\$ 7,336	\$ 17,500	\$ 4,739	\$ 113,200	\$ 833,583	\$ 385,091	\$ 8,847

See accountants' review report

MassDOT	Totals (Memorandum only)	
	2015	2014
Transportation Infrastructure and Development		
\$ —	\$ 2,065,570	\$ 1,843,300
—	607,975	616,906
—	2,993,570	3,190,513
—	6,252,990	6,070,007
—	103,997	132,941
—	12,024,102	11,853,667
—	—	19,014
25,375	934,374	767,630
—	—	390,079
—	—	30,000
—	70,975	395,025
—	116,171	70,732
25,375	1,121,520	1,672,480
25,375	13,145,622	13,526,147
—	966	1,215
—	459	256
—	—	103
—	5,427	6,762
—	6,007,413	5,674,391
—	12,306	10,162
—	1,830	2,174
—	1,055	—
—	9,420	10,875
—	2,916	2,939
—	21,072	22,125
—	1,574	3,027
—	513,265	917,518
—	146,307	136,285
—	1,211,184	1,564,135
—	1,144,978	945,375
—	975,241	991,478
—	1,157	1,269
—	211,120	208,647
—	482,377	478,153
—	170,942	192,802
—	184,224	186,537
—	132,553	101,523
—	11,237,786	11,457,751
—	160,778	115,536
—	104,238	95,891
—	947,250	921,730
—	352,119	309,093
—	20,000	—
—	—	30,000
—	468,040	404,481
—	2,052,425	1,876,731
—	13,290,211	13,334,482
25,375	(144,589)	191,665
—	2,269,864	2,078,199
\$ 25,375	\$ 2,125,275	\$ 2,269,864



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# *Capital Projects Funds*

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

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

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

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

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

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

## **OTHER FUNDS:**

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

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

## **LOCAL AID FUND:**

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

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

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

***The following funds have been enacted in legislation but were inactive in FY15 and are not presented in this report:***

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

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

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

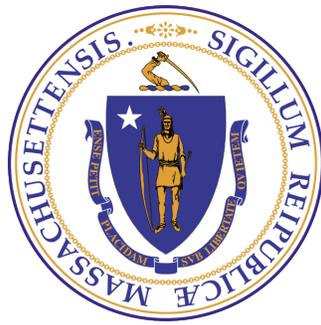
Fiscal Year Ended June 30, 2015

(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 .....	\$ 80,237	\$ —	\$ —	\$ —
Departmental .....	—	—	—	—
Miscellaneous .....	—	—	—	578
Total revenues .....	<u>80,237</u>	<u>—</u>	<u>—</u>	<u>578</u>
Other financing sources:				
Issuance of general obligation bonds .....	1,630,559	—	—	1,039,540
Bond premiums (discounts) on general obligation bonds .....	148,014	—	—	50,970
Issuance of special obligation bonds .....	—	—	—	447,310
Bond premiums (discounts) on special obligation bonds .....	—	—	—	86,372
Issuance of current refunding bonds .....	55,600	—	2,025	90,372
Issuance of advance refunding bonds .....	221,633	—	—	192,975
Bond premiums (discounts) on advance refunding bonds .....	36,592	—	—	32,883
Federal reimbursement transfer in .....	—	—	—	—
State share of federal highway construction .....	—	—	—	—
Total other financing sources .....	<u>2,092,398</u>	<u>—</u>	<u>2,025</u>	<u>1,940,422</u>
Total revenues and other financing sources .....	<u>2,172,635</u>	<u>—</u>	<u>2,025</u>	<u>1,941,000</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Judiciary .....	12,072	—	—	—
Governor and Lieutenant Governor .....	184	—	—	—
Secretary of the Commonwealth .....	1,560	—	—	—
Treasurer and Receiver-General .....	13,751	—	—	—
Auditor of the Commonwealth .....	3,272	—	—	—
Attorney General .....	39	—	—	251
Ethics Commission .....	94	—	—	—
Sheriff's Departments .....	4,767	—	—	—
Board of Library Commissioners .....	20,440	—	—	—
Comptroller .....	3,958	—	—	—
Administration and Finance .....	645,274	—	—	1,636
Energy and Environmental Affairs .....	248,329	—	—	6,196
Health and Human Services .....	58,498	—	—	—
Massachusetts Department of Transportation .....	124,211	—	—	1,309,803
Executive Office of Education .....	28,669	—	—	—
Public Safety and Homeland Security .....	47,927	—	—	—
Housing and Economic Development .....	267,665	—	—	11,812
Labor and Workforce Development .....	9,141	—	—	—
Total expenditures .....	<u>1,489,851</u>	<u>—</u>	<u>—</u>	<u>1,329,698</u>
Other financing uses:				
Payments to advance refunding bonds escrow .....	258,225	—	—	225,858
Principal on current refundings .....	55,600	—	2,025	90,372
Fringe benefit cost assessment .....	12,623	—	—	85
State share of federal highway construction .....	—	—	—	55,410
Total other financing uses .....	<u>326,448</u>	<u>—</u>	<u>2,025</u>	<u>371,725</u>
Total expenditures and other financing uses .....	<u>1,816,299</u>	<u>—</u>	<u>2,025</u>	<u>1,701,423</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses .....	356,336	—	—	239,577
Fund balances (deficits) at beginning of year .....	(740,140)	8,393	—	(425,088)
Fund balances (deficits) at end of year .....	<u>\$ (383,804)</u>	<u>\$ 8,393</u>	<u>\$ —</u>	<u>\$ (185,511)</u>

See accountant's review report

Federal Highway Construction Program	Government Land Bank Capital Projects	Local Aid Capital Projects	MassDOT		Totals (Memorandum only)	
			Central Artery Statewide Road and Bridge Infrastructure			
				2015	2014	
\$ 1,238	\$ —	\$ —	\$ —	\$ 81,475	\$ 30,739	
751	—	—	2,253	3,004	3,480	
—	—	—	72	649	1,710	
1,989	—	—	2,325	85,128	35,929	
—	1,361	47	—	2,671,507	1,492,049	
—	3	—	—	198,987	47,378	
—	—	—	—	447,310	667,850	
—	—	—	—	86,372	36,153	
—	—	1,645	53,253	202,895	159,335	
—	—	14,838	—	429,445	477,461	
—	—	5,571	—	75,046	84,920	
468,039	—	—	—	468,040	404,481	
55,410	—	—	—	55,410	62,105	
523,449	1,364	22,101	53,253	4,635,012	3,431,732	
525,438	1,364	22,101	55,578	4,720,140	3,467,661	
—	—	—	—	12,072	15,262	
—	—	—	—	184	121	
—	—	—	—	1,560	1,530	
—	—	—	—	13,751	15,151	
—	—	—	—	3,272	1,089	
88	—	—	—	379	247	
—	—	—	—	94	—	
—	—	—	—	4,768	6,633	
—	—	—	—	20,440	19,999	
—	—	—	—	3,958	2,429	
—	1,743	—	—	648,653	595,179	
405	—	—	—	254,929	208,415	
95	—	—	—	58,593	42,061	
544,938	—	—	1,460	1,980,413	1,693,117	
—	—	—	—	28,669	22,147	
—	—	—	—	47,928	45,340	
—	—	—	—	279,477	237,887	
—	—	—	—	9,141	258	
545,527	1,743	—	1,460	3,368,281	2,906,865	
—	—	20,409	—	504,491	562,353	
—	—	1,645	53,253	202,895	159,335	
18	—	—	—	12,726	42,148	
—	—	—	—	55,410	62,105	
18	—	22,054	53,253	775,522	825,941	
545,545	1,743	22,054	54,713	4,143,803	3,732,806	
(20,107)	(379)	47	865	576,337	(265,145)	
20,106	(129)	(36)	35,697	(1,101,197)	(836,052)	
\$ (1)	\$ (508)	\$ 11	\$ 36,562	\$ (524,860)	\$ (1,101,197)	



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# *Supplemental Information*



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

See review report

## Calculation of Transfers: Stabilization Fund

June 30, 2015  
(Amounts are in thousands)

This statement is prepared on the statutory basis of accounting pursuant to General Laws Chapter 29, Section 5c and Section 53A of Chapter 119 of the Acts of 2015, 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	Local Capital Projects	Gaming Local Aid	Manufacturing	Community College	Total
Budgeted Fund Undesignated Balances .....	\$111,702	\$ (71,484)	\$ 31,399	\$ 39,675	\$ (17,994)	\$ 21,713	\$ 28,498	\$ 143,507
Fund Balance Deficit Elimination Transfers Per Section 5C of Ch. 29 .....	(42,896)	71,484	(12,062)	(15,238)	17,994	(8,339)	(10,943)	—
Fund Balances after Deficit Elimination Transfers (Consolidated Net	68,806	—	19,337	24,437	—	13,374	17,555	143,507
<u>Disposition of Consolidated Net Surplus per Section 53A of Ch. 119 of the Acts of 2015:</u>								
To the Massachusetts Community Preservation Trust Fund .....	(10,000)	—	—	—	—	—	—	(10,000)
To the Massachusetts Life Sciences Investment Fund .....	(10,000)	—	—	—	—	—	—	(10,000)
Remaining Consolidated Net Surplus to be Deposited in Stabilization Fund per Section 53A of Ch. 119 of the Acts of 2015 .....	<u>\$ 48,806</u>	<u>\$ —</u>	<u>\$ 19,337</u>	<u>\$ 24,437</u>	<u>\$ —</u>	<u>\$ 13,374</u>	<u>\$ 17,555</u>	<u>\$ 123,507</u>

**Stabilization Balance Reconciliation:**

Balance as of July 1, 2014 .....	\$ 1,248,435
Reimbursement of Massachusetts Gaming Commission start-up funds per Section 94 of Ch. 194 of the Acts of 2011 .....	20,000
Transfer of investment income, certain tax revenues, and other recoveries to the General Fund, per Ch. 165 of the Acts of 2014 .....	6,695
Adjustment to General Fund transfer for change in market value and other accruals .....	(1,402)
Less Transfers from Stabilization Fund:	
Investment Income to General Fund per Sec. 259(b) of Ch. 165 of the Acts of 2014 .....	(4,806)
To General Fund Per Sec. 259(a) of Ch. 165 of the Acts of 2014 .....	(140,000)
Total Transfers from Stabilization Fund during FY 2015 .....	(144,806)
Remaining Consolidated Net Surplus Deposited in Stabilization Fund, per Calculation Above .....	123,507
<b>Stabilization Fund Balance as of June 30, 2015 .....</b>	<b><u>\$ 1,252,429</u></b>

Note: Totals may not add due to rounding

## Calculation Of Transfers: Tax Reduction Fund

June 30, 2015

(Amounts in thousands)

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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.....	\$ 1,252,429
Allowable Stabilization Fund balance (per Schedule B) .....	5,735,471
Stabilization Fund excess, if any, transferable to Tax Reduction Fund.....	<u>\$ —</u>

Part 2: Status of Stabilization Fund after transfers:

Stabilization Fund balance .....	\$ 1,252,429
Transfer to Tax Reduction Fund .....	—
Stabilization Fund balance after transfer to Tax Reduction Fund .....	<u>\$ 1,252,429</u>

Part 3: Status of Tax Reduction Fund after transfers:

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

**Schedule A**  
**FY2015 Tax Revenues By Revenue Class**

June 30, 2015  
(Amounts in thousands)

Alcoholic beverages .....	\$	79,862
Banks: financial institutions .....		51,896
Cigarette .....		510,274
Cigarette excise - Commonwealth Care .....		136,792
Cigarette inventory - Commonwealth Care .....		35
Corporations .....		2,172,076
Deeds .....		238,290
Estate and inheritance .....		340,903
Health care coverage penalty - Commonwealth Care .....		19,649
Income .....		14,448,686
Insurance .....		333,168
Motor and special fuels .....		756,121
Public utilities .....		3,409
Room occupancy .....		228,819
Sales and use .....		5,803,934
Club alcoholic beverages .....		953
Motor vehicle excise .....		80
Convention center surcharges .....		15,657
Community preservation .....		23,608
Satellite .....		11,252
Gaming revenue - Mass Gaming Commission .....		1,961
State racing - Mass Gaming Commission .....		1,203
Beano .....		1,415
Raffles and bazaars .....		915
Boxing .....		179
DOI excess and surplus lines .....		34,664
UI surcharge .....		23,568
		25,239,369
FY 2015 state tax revenue .....	\$	25,239,369

This schedule is prepared on the statutory basis of accounting. It presents tax revenues as reported in the governmental funds of the Commonwealth. It differs from the schedule of tax collections prepared by the Comptroller, Commissioner of Revenue and State Auditor for calculations in accordance with Chapter 62F of the General Laws, as amended. The differences are due to 2/5ths of Beano revenue and the health care coverage penalty in the Commonwealth Care Fund, both of which are recognized on the statutory basis of accounting but are not accounted for on the schedule of tax collections prepared by the Department of Revenue.

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

June 30, 2015  
(Amounts in thousands)

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Total budgeted revenues and other financial resources pertaining to the budgeted funds .....	\$ 38,971,862
Elimination of budgetary interfund activity exclusive of fund closure (per Schedule C) .....	<u>(735,388)</u>
Budgeted revenues and other financial resources pertaining to the budgeted funds .....	<u>38,236,474</u>
Allowable Stabilization Fund balance, 15% of budgeted revenue .....	<u>\$ 5,735,471</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, 2015  
(Amounts in thousands)

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Adjustments to revenues :	
Transfer to the Intragovernmental Service Fund .....	\$ (362,058)
Adjustments to other financing sources and uses:	
Fringe benefit cost assessments .....	(2,863)
Transfer from the Intragovernmental Service Fund to the General Fund .....	(1,569)
RMV license plates .....	(3,091)
Transfer from budgeted funds to the Stabilization Fund .....	(123,507)
Transfer from budgeted funds to the General Fund .....	(7,829)
Transfer from Stabilization Fund to the General Fund .....	(144,806)
Other fund deficit support .....	(89,478)
Other .....	<u>(187)</u>
Elimination of budgetary interfund activity .....	<u>\$ (735,388)</u>



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# Non-Tax Revenue Initiatives

June 30, 2015  
(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 FY15 were (amounts in thousands):

Department Collectors	Collections	Fees
Collecto, Inc .....	\$ 3,070	\$ 491
Allen Daniels .....	2,188	328
Delta .....	994	161
Premier Credit of North America, LLC .....	393	63
Financial Asset Management Systems, Inc .....	96	12
Linebarger, Goggan, Blair & Sampson, LLP .....	50	8
<b>Total</b>	<b>\$ 6,791</b>	<b>\$ 1,063</b>

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

Department Collectors	Collections	Fees
Collecto, Inc .....	\$ 2,628	\$ 415
Delta .....	779	126
Allen Daniels .....	605	93
Premier Credit of North America, LLC .....	254	35
<b>Total</b>	<b>\$ 4,266</b>	<b>\$ 669</b>

**II. Revenue Maximization:**

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

**III. Cost Avoidance:**

The Comptroller's appropriation authorizes contract arrangements engaged on a contingent fee basis for the purpose of identification and pursuit of cost saving/avoidance opportunities. During FY15, the following amounts were generated (amounts in thousands):

State expenditures avoided .....	\$ 4,276,010
Amounts credited to the federal government in provider offsets .....	—
Contractor payments .....	(501,375)
<b>Net cost savings/avoidance</b> .....	<b>\$ 3,774,635</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. FY15 activity (amounts in thousands):

Total Commonwealth intercepts .....	\$ 12,198
Amounts included above that were intercepted on behalf of the Institutions of Higher Education .....	\$ 6,452

## Schedule of Pension and Post Employment Health Benefits

(Amounts in thousands except for percentages)

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

	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Unfunded Actuarial Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Covered Payroll
<b>State Employee's Retirement System</b>						
Actuarial Valuation as of January 1, 2015 ..	\$ 22,720,160	\$ 33,679,150	\$ 10,958,990	67.5%	\$ 5,591,911	196.0%
Actuarial Valuation as of January 1, 2014 ..	21,581,133	30,679,600	9,098,467	70.3%	5,344,510	170.2%
Actuarial Valuation as of January 1, 2013 ..	20,317,389	29,385,442	9,068,053	69.1%	5,183,195	175.0%
Actuarial Valuation as of January 1, 2012 ..	20,507,644	27,784,731	7,277,087	73.8%	4,922,388	147.8%
Actuarial Valuation as of January 1, 2011 ..	21,244,900	26,242,776	4,997,876	81.0%	4,808,250	103.9%
Actuarial Valuation as of January 1, 2010 ..	19,019,062	24,862,421	5,843,359	76.5%	4,711,563	124.0%

### Teachers' Retirement System

Actuarial Valuation as of January 1, 2015 ..	\$ 23,946,759	\$ 44,115,769	\$ 20,169,010	54.3%	\$ 6,204,274	325.1%
Actuarial Valuation as of January 1, 2014 ..	22,940,196	40,741,695	17,801,499	56.3%	5,962,650	298.6%
Actuarial Valuation as of January 1, 2013 ..	21,787,470	39,135,218	17,347,748	55.7%	5,783,294	300.0%
Actuarial Valuation as of January 1, 2012 ..	22,141,475	36,483,027	14,341,552	60.7%	5,655,353	253.6%
Actuarial Valuation as of January 1, 2011 ..	23,117,952	34,890,991	11,773,039	66.3%	5,558,311	211.8%
Actuarial Valuation as of January 1, 2010 ..	21,262,462	33,738,966	12,476,504	63.0%	5,509,698	226.4%

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

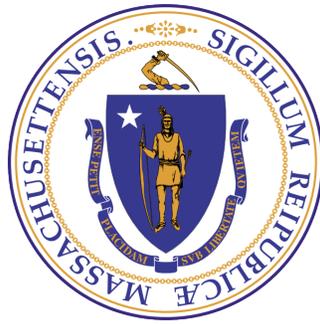
	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Unfunded Actuarial Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Covered Payroll
Actuarial Valuation as of January 1, 2015 .....	\$ 610,000	\$ 16,502,800	\$ 15,892,800	3.7%	\$ 5,591,911	284.2%
Actuarial Valuation as of January 1, 2014 .....	511,200	15,670,200	15,159,000	3.3%	5,344,510	283.6%
Actuarial Valuation as of January 1, 2013 .....	406,700	15,784,100	15,377,400	2.6%	5,183,195	296.7%
Actuarial Valuation as of January 1, 2012 .....	360,500	16,659,400	16,298,900	2.2%	4,922,388	331.1%
Actuarial Valuation as of January 1, 2011 .....	350,500	16,568,600	16,218,100	2.1%	4,808,250	337.3%
Actuarial Valuation as of January 1, 2010 .....	310,000	15,166,000	14,856,000	2.0%	4,711,563	315.3%

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



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# *Statistical Section*



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

See review report

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

June 30, 2015  
(Amounts in millions)

	2015	% Total	2014	% Total	2013	% Total	2012	% Total
Taxes .....	\$ 25,239	44.4	\$ 23,665	43.6	\$ 22,396	43.8	\$ 21,384	42.7
Federal reimbursements .....	10,287	18.1	9,265	17.1	9,078	17.8	8,931	17.8
Federal grants .....	2,269	4.0	2,328	4.3	2,396	4.7	2,655	5.3
Lotteries .....	5,194	9.1	5,050	9.3	5,043	9.9	4,941	9.9
Assessments .....	1,033	1.8	1,079	2.0	1,018	2.0	986	2.0
Motor vehicle licenses and registrations .....	546	1.0	495	0.9	487	1.0	474	0.9
Fees, investment earnings, etc .....	4,411	7.8	4,254	7.9	3,860	7.5	3,582	7.2
Proceeds of general and special obligation bonds and related premiums .....	3,404	6.0	2,262	4.2	1,512	3.0	1,921	3.8
Proceeds of refunding bonds .....	707	1.2	722	1.3	231	0.5	480	1.0
Other interfund transfers .....	3,748	6.6	5,093	9.4	4,982	9.8	4,731	9.4
Total revenues and other financing sources ..	<u>\$ 56,838</u>	<u>100.0</u>	<u>\$ 54,213</u>	<u>100.0</u>	<u>\$ 51,003</u>	<u>100.0</u>	<u>\$ 50,085</u>	<u>100.0</u>

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2011	% Total	2010	% Total	2009	% Total	2008	% Total	2007	% Total	2006	% Total
\$ 20,776	38.2	\$ 18,792	40.3	\$ 18,513	38.8	\$ 21,009	44.5	\$ 19,849	44.3	\$ 18,593	43.9
10,151	18.6	9,374	20.1	9,139	19.1	6,937	14.7	6,830	15.3	6,307	14.9
3,097	5.7	3,134	6.7	2,646	5.5	2,065	4.4	1,989	4.5	2,046	4.8
4,632	8.5	4,629	9.9	4,649	9.7	4,915	10.4	4,670	10.4	4,739	11.2
960	1.8	971	2.1	894	1.9	806	1.7	794	1.8	793	1.9
497	0.9	463	1.0	383	0.8	376	0.8	374	0.8	361	0.9
3,462	6.4	2,830	6.0	2,800	5.9	3,200	6.8	2,450	5.6	2,891	6.8
2,306	4.2	1,672	3.6	2,141	4.5	1,306	2.8	1,604	3.6	1,838	4.3
947	1.7	538	1.2	390	0.8	—	—	1,531	3.4	633	1.5
7,618	14.0	4,233	9.1	6,197	13.0	6,538	13.9	4,605	10.3	4,145	9.8
<u>\$ 54,446</u>	<u>100.0</u>	<u>\$ 46,636</u>	<u>100.0</u>	<u>\$ 47,752</u>	<u>100.0</u>	<u>\$ 47,152</u>	<u>100.0</u>	<u>\$ 44,696</u>	<u>100.0</u>	<u>\$ 42,346</u>	<u>100.0</u>

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

June 30, 2015  
(Amounts in millions)

	2015	% Total	2014	% Total	2013	% Total	2012	% Total
Income.....	\$ 14,449	57.3%	\$ 13,202	55.8	\$ 12,831	57.5	\$ 11,911	55.7
Sales and use.....	5,804	23.0%	5,519	23.3	5,184	23.1	5,079	23.8
Corporations.....	2,172	8.6%	2,049	8.7	1,822	8.1	1,771	8.3
Motor fuels.....	756	3.0%	732	3.1	651	2.9	662	3.1
Cigarette.....	510	2.0%	521	2.2	440	2.0	451	2.1
Insurance.....	333	1.3%	316	1.3	373	1.7	318	1.5
Estate and inheritance.....	341	1.4%	402	1.7	313	1.4	293	1.4
Banks: Financial Institutions*..	52	0.2%	136	0.6	78	0.3	267	1.2
Alcoholic beverages.....	80	0.3%	79	0.3	77	0.3	77	0.4
Other.....	742	2.9%	711	3.0	625	2.7	555	2.5
Total taxes.....	<u>\$ 25,239</u>	<u>100.0%</u>	<u>\$ 23,667</u>	<u>100.0</u>	<u>\$ 22,394</u>	<u>100.0</u>	<u>\$ 21,384</u>	<u>100.0</u>

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

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2011	% Total	2010	% Total	2009	% Total	2008	% Total	2007	% Total	2006	% Total
\$ 11,576	55.7	\$ 10,110	53.8	\$ 10,584	57.2	\$ 12,484	59.4	\$ 11,400	57.4	\$ 10,483	56.4
4,921	23.7	4,626	24.6	3,880	21.0	4,098	19.5	4,076	20.5	4,009	21.6
1,951	9.4	1,600	8.5	1,549	8.4	1,512	7.2	1,588	8.0	1,391	7.5
661	3.2	655	3.5	654	3.5	673	3.2	676	3.4	672	3.6
454	2.2	456	2.4	457	2.5	437	2.1	438	2.2	435	2.3
296	1.4	285	1.5	309	1.7	369	1.8	369	1.9	397	2.1
310	1.5	221	1.2	260	1.4	254	1.2	250	1.3	196	1.1
(11)	(0.1)	235	1.3	243	1.3	548	2.6	341	1.7	350	1.9
73	0.4	72	0.4	73	0.4	72	0.3	71	0.4	70	0.4
545	2.6	532	2.8	504	2.6	562	2.7	640	3.2	590	3.1
<u>\$ 20,776</u>	<u>100.0</u>	<u>\$ 18,792</u>	<u>100.0</u>	<u>\$ 18,513</u>	<u>100.0</u>	<u>\$ 21,009</u>	<u>100.0</u>	<u>\$ 19,849</u>	<u>100.0</u>	<u>\$ 18,593</u>	<u>100.0</u>

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

June 30, 2015

(Amounts in millions)

	2015	% Total	2014	% Total	2013	% Total	2012	% Total
Legislature .....	\$ 60	0.1	\$ 56	0.1	\$ 57	0.1	\$ 58	0.1
Judiciary .....	852	1.5	831	1.5	802	1.5	780	1.6
Inspector General .....	5	—	6	—	6	—	3	—
Governor and Lieutenant Governor .....	7	—	5	—	6	—	7	—
Secretary of the Commonwealth .....	52	0.1	53	0.1	50	0.1	43	0.1
Treasurer and Receiver-General .....	6,224	11.1	5,893	10.9	5,867	11.3	5,847	11.7
Auditor of the Commonwealth .....	21	—	19	—	19	—	18	—
Attorney General .....	56	0.1	53	0.1	50	0.1	53	0.1
Ethics Commission .....	2	—	2	—	2	—	2	—
District Attorney .....	111	0.2	108	0.2	108	0.2	101	0.2
Office of Campaign and Political Finance .....	2	—	1	—	1	—	1	—
Sheriff's Departments .....	595	1.1	571	1.0	543	1.0	532	1.1
Disabled Persons Protection Commission .....	3	—	2	—	2	—	2	—
Board of Library Commissioners .....	49	0.1	45	0.1	41	0.1	34	0.1
Massachusetts Gaming Commission .....	21	—	23	—	14	—	1	—
Comptroller .....	20	—	18	—	14	—	13	—
Administration and Finance .....	8,832	15.9	8,862	16.3	8,665	16.8	7,456	14.9
Energy and Environmental Affairs .....	628	1.1	561	1.0	490	0.9	456	0.9
Housing and Community Development .....	—	—	—	—	—	—	—	—
Health and Human Services .....	20,398	36.0	18,649	34.1	17,447	34.1	17,632	35.1
Transportation and Public Works .....	—	—	—	—	—	—	—	—
Massachusetts Department of Transportation .....	3,248	5.8	2,914	5.4	2,439	4.7	2,323	4.6
Executive Office of Education .....	3,218	5.7	3,130	5.8	2,952	5.7	3,030	6.0
Center for Health Information and Analysis .....	28	—	25	—	9	—	—	—
Public Safety and Homeland Security .....	1,350	2.4	1,313	2.4	1,324	2.6	1,236	2.5
Housing and Economic Development .....	1,281	2.3	1,251	2.3	1,214	2.3	1,203	2.4
Labor and Workforce Development .....	223	0.4	237	0.4	300	0.6	390	0.8
Post employment benefits .....	2,213	3.9	2,050	3.7	1,967	3.8	1,892	3.8
Debt service .....	2,507	4.5	2,410	4.4	2,351	4.5	2,272	4.5
Payments to advance refunding escrow agent/Principal on current refunding .....	707	1.3	722	1.3	230	0.4	388	0.8
Other fund deficit support .....	89	0.2	168	0.3	—	—	—	—
Other interfund transfers .....	3,483	6.2	4,732	8.6	4,775	9.2	4,352	8.7
<b>Total expenditures and other financing uses .....</b>	<b>\$ 56,285</b>	<b>100.0</b>	<b>\$ 54,710</b>	<b>100.0%</b>	<b>\$ 51,745</b>	<b>100.0%</b>	<b>\$ 50,125</b>	<b>100.0%</b>

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 2015, this schedule reflects Budgeted, Non-Budgeted and Capital Projects expenditures and other financing uses only.

2011	% Total	2010	% Total	2009	% Total	2008	% Total	2007	% Total	2006	% Total
\$ 58	0.1	\$ 59	0.1	\$ 60	0.1	\$ 58	0.1	\$ 59	0.2	\$ 55	0.1
788	1.5	788	1.7	814	1.6	831	1.7	788	1.8	672	1.6
3	—	4	—	3	—	3	—	3	—	3	—
5	—	5	—	8	—	9	—	5	—	5	—
46	0.1	54	0.1	53	0.1	53	0.1	55	0.1	45	0.1
5,610	10.6	5,483	11.5	6,043	12.2	5,640	11.8	5,267	11.7	5,635	13.6
17	—	17	—	20	—	19	—	18	—	19	—
51	0.1	53	0.1	57	0.1	56	0.1	52	0.1	49	0.1
2	—	2	—	2	—	2	—	2	—	1	—
97	0.2	96	0.2	104	0.2	104	0.2	96	0.2	88	0.2
3	—	1	—	1	—	1	—	2	—	1	—
511	1.0	378	0.8	295	0.6	296	0.7	275	0.6	251	0.6
2	—	2	—	3	—	2	—	2	—	2	—
34	0.1	34	0.1	48	0.1	46	0.1	42	0.1	49	0.1
—	—	—	—	—	—	—	—	—	—	—	—
14	—	15	—	14	—	14	—	14	—	14	—
7,206	13.7	7,040	14.9	6,892	14.2	7,059	14.8	7,043	15.7	6,601	16.1
482	0.9	529	1.1	526	1.1	473	1.0	450	1.0	390	0.9
—	—	—	—	—	—	—	—	509	1.1	659	1.6
17,737	33.5	16,044	33.8	16,468	33.3	15,504	32.5	14,456	32.4	13,539	32.6
—	—	509	1.1	1,689	3.4	1,378	2.9	1,404	3.1	1,376	3.3
2,278	4.3	1,542	3.2	—	—	—	—	—	—	—	—
3,225	6.1	3,184	6.7	3,390	6.9	2,989	6.3	2,936	6.5	2,726	6.6
—	—	—	—	—	—	—	—	—	—	—	—
1,172	2.2	1,308	2.7	1,456	2.9	1,381	2.9	1,253	2.8	1,180	2.8
1,283	2.4	1,245	2.6	981	2.0	857	1.8	508	1.1	323	0.8
428	0.8	403	0.8	331	0.7	274	0.6	67	0.1	—	—
1,839	3.5	1,749	3.7	1,314	2.7	1,399	2.9	1,335	3.0	1,275	3.1
2,128	4.0	2,117	4.5	2,145	4.3	2,239	4.7	2,352	5.2	2,028	4.9
540	1.0	538	1.1	—	—	—	—	1,531	3.4	633	1.5
65	0.1	—	—	220	0.4	1,593	3.5	—	—	—	—
7,272	13.8	4,373	9.2	6,456	13.1	5,403	11.3	4,383	9.8	3,887	9.4
<u>\$ 52,896</u>	<u>100.0</u>	<u>\$ 47,572</u>	<u>100.0</u>	<u>\$ 49,393</u>	<u>100.0</u>	<u>\$ 47,683</u>	<u>100.0</u>	<u>\$ 44,907</u>	<u>100.0</u>	<u>\$ 41,506</u>	<u>100.0</u>

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

June 30, 2015  
(Amounts in millions)

	2015	2014	2013	2012	2011	2010	2009*	2008	2007	2006
Direct local aid .....	\$ 5,420	\$ 5,292	\$ 5,116	\$ 4,929	\$ 4,785	\$ 4,837	\$ 4,724	\$ 5,040	\$ 5,033	\$ 4,619
Medicaid** .....	13,655	11,901	10,800	10,431	10,237	9,287	8,537	8,104	7,413	6,726
Other Health and Human Services .....	5,301	4,980	4,769	4,711	4,615	4,616	4,970	5,014	—	—
Public Assistance .....	—	—	—	—	—	—	—	—	1,258	1,129
Elementary and Secondary Education .....	515	515	489	436	349	358	496	486	—	—
Higher Education .....	1,162	1,092	991	937	943	846	1,036	1,085	1,116	988
Early education and care .....	538	510	483	494	515	513	560	550	—	—
Public Safety and Homeland Security .....	1,041	1,010	960	930	905	1,053	1,224	1,265	—	—
Energy and Environmental Affairs .....	225	215	202	187	186	202	216	227	—	—
MBTA and regional transit authorities .....	—	—	—	—	—	—	—	—	52	50
Post employment benefits .....	2,213	2,050	1,967	1,892	1,839	1,749	1,314	1,399	1,335	1,275
Group health insurance .....	1,665	1,403	1,278	1,206	1,130	1,064	973	853	1,022	964
Debt service .....	2,190	2,133	2,117	1,923	1,664	1,860	1,891	1,868	2,085	1,666
<b>Major programs .....</b>	<b>33,925</b>	<b>31,101</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>
Other program expenditures .....	3,326	3,671	3,007	2,899	2,851	2,999	2,762	2,739	8,343	7,777
Interfund transfers and other financing uses ..	1,601	2,882	3,172	2,515	5,520	1,810	3,867	4,405	1,819	1,749
<b>Total expenditures and other financing uses ..</b>	<b>\$ 38,852</b>	<b>\$ 37,654</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>

\* Fiscal years 2008 through 2015 presentation aligned with Bond Official Statements - Commonwealth Expenditures - Budgeted Operating Funds

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

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

Fiscal Year Ended June 30, 2015

(Amounts in millions)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General obligation bonds .....	\$ 20,802	\$ 19,387	\$ 19,140	\$ 18,852	\$ 18,517	\$ 17,683	\$ 17,052	\$ 16,085	\$ 16,033	\$ 15,393
Grant anticipation notes* .....	700	531	449	610	766	991	1,134	1,536	1,666	1,789
Special obligation bonds .....	2,324	2,292	1,924	1,972	1,592	1,053	1,079	1,113	1,249	1,279
Commonwealth long-term bonds .....	<u>\$ 23,826</u>	<u>\$ 22,210</u>	<u>\$ 21,513</u>	<u>\$ 21,434</u>	<u>\$ 20,875</u>	<u>\$ 19,727</u>	<u>\$ 19,265</u>	<u>\$ 18,734</u>	<u>\$ 18,948</u>	<u>\$ 18,461</u>

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



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# ***HIGHER EDUCATION***

## ***NON-APPROPRIATED ACTIVITY***

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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, 2015

(Amounts in thousands)

	University of Massachusetts	State Universities and Colleges	Community Colleges	Totals	
				2015	2014 Restated
<b>Revenues and other financing sources</b>					
Federal grants and reimbursements .....	\$ 291,886	\$ 56,875	\$ 184,188	\$ 532,948	\$ 626,331
Departmental revenue .....	1,245,089	447,210	383,469	2,075,768	1,980,127
Miscellaneous revenue .....	967,926	398,812	304,822	1,671,560	1,795,000
Total revenues and other financing sources .....	<u>2,504,901</u>	<u>902,897</u>	<u>872,479</u>	<u>4,280,277</u>	<u>4,401,458</u>
<b>Expenditures and other financing uses</b>					
(by MMARS subsidiary):					
AA Regular employee compensation .....	621,269	155,750	177,642	954,660	953,981
BB Regular employee related expenses .....	22,462	4,779	3,562	30,802	31,109
CC Special employees and contracted services .....	250,601	130,005	226,652	607,258	575,767
DD Pension and insurance .....	171,759	39,479	36,975	248,213	239,474
EE Administrative expenditures .....	112,630	70,486	33,253	216,369	217,330
FF Facility operational supplies .....	156,550	14,652	25,121	196,323	187,991
GG Energy costs and space rental .....	147,268	31,106	29,019	207,393	205,534
HH Consultant services .....	212,542	11,371	13,540	237,453	269,081
JJ Operational services .....	41,931	35,521	13,098	90,549	79,966
KK Equipment purchase .....	47,911	7,604	11,500	67,015	47,874
LL Equipment leases, maintenance and repair .....	26,007	5,887	6,481	38,375	39,499
MM Purchased client services and programs .....	34,988	3,627	2,955	41,571	36,170
NN Construction and improvements .....	102,792	39,243	25,162	167,196	174,605
PP Aid to local governments .....	10	118	2,565	2,694	505
RR Benefit programs .....	377,193	89,894	189,274	656,360	637,829
SS Debt payment .....	26,974	23,568	3,972	54,513	28,224
TT Loans and special payments .....	89,797	155,220	35,314	280,331	429,875
UU Information technology (IT) expenses .....	89,297	27,764	26,796	143,857	146,942
Total expenditures and other financing uses .....	<u>2,531,981</u>	<u>846,072</u>	<u>862,880</u>	<u>4,240,932</u>	<u>4,301,756</u>
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses .....	(27,080)	56,825	9,600	39,344	99,701
Fund balance at beginning of year, as restated .....	<u>894,724</u>	<u>391,586</u>	<u>287,896</u>	<u>1,574,205</u>	<u>1,474,503</u>
Fund balance at end of year .....	<u>\$ 867,644</u>	<u>\$ 448,410</u>	<u>\$ 297,495</u>	<u>\$ 1,613,549</u>	<u>\$ 1,574,205</u>

**University of Massachusetts**  
Combining Higher Education Non-Appropriated Activity - Statutory Basis  
Fiscal Year Ended June 30, 2015  
(Amounts in thousands)

	Totals	
	2015	2014
<b>Revenues and other financing sources</b>		
Federal grants and reimbursements .....	\$ 291,886	\$ 379,346
Departmental revenue .....	1,245,089	1,182,978
Miscellaneous revenue .....	967,926	1,092,832
<b>Total revenues and other financing sources .....</b>	<b>2,504,901</b>	<b>2,655,156</b>
<b>Expenditures and other financing uses</b> (by MMARS subsidiary):		
AA Regular employee compensation .....	621,269	621,159
BB Regular employee related expenses .....	22,462	22,698
CC Special employees and contracted services .....	250,601	240,146
DD Pension and insurance .....	171,759	168,011
EE Administrative expenditures .....	112,630	109,489
FF Facility operational supplies .....	156,550	147,853
GG Energy costs and space rental .....	147,268	146,066
HH Consultant services .....	212,542	235,208
JJ Operational services .....	41,931	37,133
KK Equipment purchase .....	47,911	31,917
LL Equipment leases, maintenance and repair .....	26,007	25,063
MM Purchased client services and programs .....	34,988	29,025
NN Construction and improvements .....	102,792	101,594
PP Aid to local governments .....	10	1
RR Benefit programs .....	377,193	343,232
SS Debt payment .....	26,974	10,781
TT Loans and special payments .....	89,797	241,925
UU Information technology (IT) expenses .....	89,297	92,345
<b>Total expenditures and other financing uses .....</b>	<b>2,531,981</b>	<b>2,603,646</b>
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses .....	(27,080)	51,510
Fund balance at beginning of year .....	894,724	843,214
Fund balance at end of year .....	<u>\$ 867,644</u>	<u>\$ 894,724</u>

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

Fiscal Year Ended June 30, 2015

(Amounts in thousands)

	Bridgewater State University	Farmingham State University	Fitchburg State University	Massachusetts College of Art
<b>Revenues and other financing sources</b> .....				
Federal grants and reimbursements.....	\$ 15,130	\$ 5,932	\$ 7,884	\$ 2,599
Departmental revenue.....	115,242	46,668	50,157	28,452
Miscellaneous revenue .....	84,475	54,051	35,781	19,777
	<u>214,847</u>	<u>106,651</u>	<u>93,823</u>	<u>50,828</u>
<b>Expenditures and other financing uses</b>				
(by MMARS subsidiary):				
AA Regular employee compensation.....	60,264	8,776	15,959	9,454
BB Regular employee related expenses.....	1,588	426	491	371
CC Special employees and contracted services.....	42,513	10,905	12,336	5,964
DD Pension and insurance .....	17,390	2,529	3,713	742
EE Administrative expenditures .....	10,542	35,918	1,923	2,098
FF Facility operational supplies .....	2,009	2,776	1,459	1,358
GG Energy costs and space rental.....	5,548	3,414	4,415	2,042
HH Consultant services.....	2,272	1,217	953	1,525
JJ Operational services .....	12,409	6,509	1,286	2,106
KK Equipment purchase .....	1,831	1,123	1,080	491
LL Equipment leases, maintenance and repair.....	2,168	685	692	232
MM Purchased client services and programs.....	1,616	400	280	—
NN Construction and improvements.....	4,422	2,302	13,782	6,109
PP Aid to local governments.....	—	72	—	—
RR Benefit programs .....	23,448	8,325	9,783	8,254
SS Debt payment.....	3,604	383	—	—
TT Loans and special payments .....	17,206	12,466	20,837	7,692
UU Information technology (IT) expenses .....	5,740	3,683	3,420	1,913
	<u>214,570</u>	<u>101,909</u>	<u>92,410</u>	<u>50,352</u>
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses .....	277	4,742	1,413	476
Fund balance at beginning of year, as restated.....	26,911	51,123	56,942	16,510
Fund balance at end of year.....	<u>\$ 27,187</u>	<u>\$ 55,865</u>	<u>\$ 58,355</u>	<u>\$ 16,985</u>

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	
					2015	2014 Restated
\$ 1,176	\$ 3,383	\$ 12,242	\$ 227	\$ 8,302	\$ 56,875	\$ 53,661
30,521	22,456	21,907	58,256	73,550	447,210	437,082
7,815	12,654	128,467	22,336	33,456	398,812	395,057
39,512	38,493	162,615	80,819	115,309	902,897	885,799
5,133	7,645	26,839	4,161	17,519	155,750	148,650
635	446	284	48	491	4,779	4,481
6,246	7,976	16,772	8,062	19,231	130,005	125,816
737	759	7,301	720	5,587	39,479	35,407
983	2,211	14,062	102	2,648	70,486	71,040
1,144	490	3,290	976	1,149	14,652	14,944
1,396	1,927	6,104	693	5,566	31,106	34,178
751	1,024	1,729	671	1,228	11,371	14,765
6,269	3,884	1,856	149	1,054	35,521	31,344
428	283	1,019	1,000	348	7,604	6,467
582	150	509	202	667	5,887	8,408
—	—	789	—	542	3,627	3,080
1,532	1,718	3,256	2,805	3,317	39,243	50,213
—	46	—	—	—	118	78
1,147	6,229	20,509	1,842	10,358	89,894	95,216
—	331	355	7,991	10,904	23,568	13,433
7,705	3,243	63,403	—	22,669	155,220	161,449
2,226	1,543	4,952	475	3,812	27,764	27,987
36,915	39,904	173,027	29,896	107,089	846,072	846,955
2,597	(1,410)	(10,412)	50,924	8,219	56,825	38,844
34,975	14,314	41,630	99,046	50,135	391,586	352,742
\$ 37,572	\$ 12,904	\$ 31,218	\$ 149,970	\$ 58,354	\$ 448,410	\$ 391,586

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

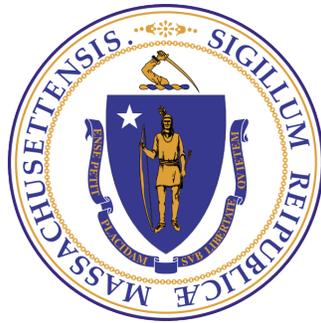
Fiscal Year Ended June 30, 2015

(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 .....	\$ 4,247	\$ 27,558	\$ 19,096	\$ 4,855	\$ 2,507	\$ 13,443	\$ 19,216
Departmental revenue .....	8,255	50,235	21,859	11,200	8,863	14,248	35,311
Miscellaneous revenue .....	8,561	29,991	43,119	14,806	5,681	20,256	22,368
	<u>21,062</u>	<u>107,784</u>	<u>84,074</u>	<u>30,861</u>	<u>17,051</u>	<u>47,948</u>	<u>76,895</u>
<b>Expenditures and other financing uses</b>							
(by MMARS subsidiary):							
AA Regular employee compensation .....	1,927	35,810	13,487	6,234	3,706	5,818	14,326
BB Regular employee related expenses .....	102	168	384	173	18	317	150
CC Special employees and contracted services ..	5,714	18,417	32,365	10,237	5,344	9,378	20,546
DD Pension and insurance .....	653	2,044	4,238	1,945	1,155	1,575	4,486
EE Administrative expenditures .....	2,033	2,663	1,913	1,252	979	2,046	2,263
FF Facility operational supplies .....	514	1,178	964	447	321	3,379	1,528
GG Energy costs and space rental .....	771	2,407	2,675	1,318	776	1,298	1,487
HH Consultant services .....	289	642	450	202	375	461	404
JJ Operational services .....	571	1,809	675	463	460	1,156	321
KK Equipment purchase .....	257	547	506	272	74	457	726
LL Equipment leases, maintenance and repair ..	144	837	276	142	172	135	776
MM Purchased client services and programs .....	27	458	1,130	—	6	32	404
NN Construction and improvements .....	601	2,485	1,474	393	248	1,097	2,748
PP Aid to local governments .....	39	—	280	—	1	44	1,452
RR Benefit programs .....	6,134	28,760	20,315	6,239	2,883	15,651	13,634
SS Debt payment .....	20	245	—	—	—	295	1,379
TT Loans and special payments .....	256	328	597	288	309	3,283	6,970
UU Information technology (IT) expenses .....	813	5,720	1,620	848	629	2,560	1,912
	<u>20,867</u>	<u>104,517</u>	<u>83,348</u>	<u>30,454</u>	<u>17,455</u>	<u>48,982</u>	<u>75,510</u>
Excess (deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses .....	195	3,267	726	407	(405)	(1,034)	1,385
Fund balance at beginning of year .....	<u>2,823</u>	<u>21,015</u>	<u>14,153</u>	<u>18,434</u>	<u>2,026</u>	<u>14,975</u>	<u>32,092</u>
Fund balance at end of year .....	<u>\$ 3,017</u>	<u>\$ 24,282</u>	<u>\$ 14,879</u>	<u>\$ 18,841</u>	<u>\$ 1,621</u>	<u>\$ 13,941</u>	<u>\$ 33,477</u>

Note: Details might not add up due to rounding

Massachusetts Bay Community College	Middlesex Community College	Mount Wachusett Community College	Northern Essex Community College	North Shore Community College	Quinsigamond Community College	Roxbury Community College	Springfield Technical Community College	Totals	
								2015	2014
\$ 5,567	\$ 20,286	\$ 1,308	\$ 12,696	\$ 15,707	\$ 16,073	\$ 6,467	\$ 15,163	\$184,188	\$193,325
19,287	33,136	27,887	42,982	29,345	49,186	547	31,129	383,469	360,068
16,656	36,968	19,022	27,203	17,166	7,007	21,242	14,776	304,822	307,111
41,510	90,390	48,217	82,881	62,217	72,266	28,256	61,068	872,479	860,504
1,972	21,474	23,982	12,989	24,852	8,969	306	1,789	177,642	184,172
112	648	317	397	169	105	57	444	3,562	3,930
14,174	27,519	9,621	16,106	8,412	15,624	23,148	10,047	226,652	209,805
1,257	6,948	3,367	4,402	2,010	1,902	262	732	36,975	36,055
2,289	3,115	2,222	1,615	1,778	3,009	3,144	2,933	33,253	36,802
626	1,678	1,049	2,777	3,094	5,216	354	1,997	25,121	25,194
2,175	6,904	333	1,814	1,762	3,042	1,166	1,091	29,019	25,290
365	4	1,260	411	1,293	4,278	1,109	1,999	13,540	19,110
—	—	924	2,746	220	1,197	1,227	1,327	13,098	11,488
—	775	530	513	1,140	2,935	180	2,587	11,500	9,490
—	1,085	141	169	189	776	170	1,468	6,481	6,028
346	—	10	—	217	—	1	326	2,955	4,065
2,312	3,876	2,897	3,501	762	1,061	324	1,382	25,162	22,799
—	—	167	—	581	—	—	2	2,565	427
10,355	166	1,551	31,644	14,025	18,401	54	19,461	189,274	199,390
66	—	351	340	1,276	—	—	—	3,972	4,010
223	20,975	200	275	463	792	—	355	35,314	26,499
2,189	98	56	2,351	1,853	5,351	725	70	26,796	26,609
38,462	95,264	48,978	82,052	64,098	72,657	32,226	48,010	862,880	851,163
3,047	(4,874)	(762)	829	(1,880)	(391)	(3,970)	13,058	9,600	9,341
12,588	7,677	11,515	7,511	11,966	3,871	20,187	107,065	287,896	278,555
\$ 15,635	\$ 2,803	\$ 10,753	\$ 8,340	\$ 10,086	\$ 3,480	\$ 16,217	\$ 120,123	\$297,495	\$287,896



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# Commonwealth of Massachusetts

**STATUTORY BASIS FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2015**