

OFFICE OF PERFORMANCE MANAGEMENT AND OVERSIGHT

Reporting Entity Fiscal Year 2018 Annual Report

Reporting Agency Overview

Reporting Agency Name

Massachusetts Technology Collaborative

General Description

The Massachusetts Technology Collaborative ("MassTech") is a public economic development agency charged with supporting an environment for innovation economy growth.

MassTech's three strategic goals are:

- Enhance economic growth: Foster dynamic, innovative businesses in the Commonwealth, accelerating the creation and expansion of firms in technology-growth sectors, increasing profitability, and generating more jobs for people in Massachusetts;
- Accelerate technology use and adoption: Ensure statewide connectivity and promote competitiveness through widespread adoption of innovative technology in academia, business, and government across the Commonwealth; and
- Harness the value of research: Strengthen capacity for innovation and commercialization at research institutions in the Commonwealth, enhancing research capabilities and encouraging greater collaboration with industry to address relevant research questions and bring ideas to market.

Through three primary divisions, the Innovation Institute at MassTech, the Massachusetts eHealth Institute ("MeHI"), and the Massachusetts Broadband Institute ("MBI"), the Massachusetts Technology Collaborative is supporting a vibrant, growing innovation economy across all corners of the Commonwealth. More detail is available at www.MassTech.org.

In Fiscal Year 2018, MassTech will support business formation and growth in the state's technology sector, helping the Commonwealth lead in the global digital economy. To achieve that goal, we build strategies, strengthen connections, assist companies, make investments, and lead programs as outlined below. We support the Commonwealth's tech sector with a strategic focus on talent, ecosystems, and key innovation infrastructure.

Agency Mission

MassTech's mission is to support the vibrant, growing innovation economy across Massachusetts.

Agency Budget funded by the Commonwealth of Massachusetts

\$20,897,841.00

Agency Total Budget (*including Commonwealth of Massachusetts funding*)

\$36,730,000.00

Agency Budget funded by the Commonwealth of Massachusetts *Expended*

\$11,552,373.00

PROGRAM & INITIATIVES

Program / Initiative Information

Program / Initiative #1

Name

Global Entrepreneur in Residence (GEIR)

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

<http://innovation.masstech.org/projects-and-initiatives/global-entrepreneur-residence-pilot-program>

Description of Program / Initiative

The Global Entrepreneur in Residence Program (GEIR) was established to attract and retain more qualified entrepreneurs and their growing companies within Massachusetts. Through the GEIR, universities will partner with the Commonwealth to provide valuable, relevant part-time work opportunities which will initiate a cap-exempt H-1B visa application process. Participating universities will act as the “sponsor” for filing cap-exempt H-1B petitions for graduates with advanced degrees who want to grow their companies but cannot due to a lack of available H-1B visa slots. This part-time employment authorization will enable the entrepreneur’s start-up company to apply for the entrepreneur’s work authorization, also in a cap-exempt visa category, and ultimately will allow the company, and new high-skill jobs, to grow here in Massachusetts. The GEIR program will be implemented in partnership with the University of Massachusetts Boston and the University of Massachusetts Lowell.

*Included as part of: Workforce and Talent

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

7002-1509

Fiscal Year 2018 Budget

\$49,500.00

Total Fiscal Year 2018 Budget expended

\$49,500.00

Total Budget (Total \$, including other sources)

\$94,189.00

Details of additional funding sources

Previous year appropriation

Program / Initiative #2

Name

MassTech Intern Partnership

Program Citation (Legislation) - if applicable

Chapter 47 of the Acts of 2017

Legislation Website Link - if applicable

<https://malegislature.gov/Budget/FY2018/FinalBudget>

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

<http://masstech.org/intern>

Description of Program / Initiative

The MassTech Intern Partnership program provides stipends to digital technology companies that are starting and scaling-up across Massachusetts that directly support internships for Massachusetts students and recent graduates.

*Included as part of: Workforce and Talent

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

7002-1508

Fiscal Year 2018 Budget

\$1,000,000.00

Total Fiscal Year 2018 Budget expended

\$320,899.00

Total Budget (Total \$, including other sources)

\$513,645.00

Details of additional funding sources

Previous year appropriation

Program / Initiative #3

Name

Technology Sector Business Assistance

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

<http://masstech.org/why-massachusetts/business-assistance>

Description of Program / Initiative

MassTech is serving as the “front door” to business development resources available in the Commonwealth, offering a one-stop shop for all incentives, initiatives, programs, and resources to help tech companies thrive within the Commonwealth's innovation economy. Through direct services, we can provide insight, channels of opportunity, and triage to tech businesses in Massachusetts that are looking to start a business, grow a business, or access talent in Massachusetts.

*Included as part of: Ecosystem and Business Development

Fiscal Year 2018 Line Item Number (#### - ####) - if applicable

Fiscal Year 2018 Budget

not separately budgeted

Total Fiscal Year 2018 Budget expended

Total Budget (Total \$, including other sources)

Details of additional funding sources

Program / Initiative #4

Name

Mass Digital Health Initiative

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

<http://massdigitalhealth.org/>

Description of Program / Initiative

Mass Digital Health is a public-private partnership working to establish Massachusetts as the leading ecosystem for digital health innovation, for the purpose of economic growth and improved healthcare quality and costs. Through Mass Digital Health, MassTech is investing in and helping to organize a more accessible digital health marketplace for the Commonwealth.

*Included as part of: Ecosystem and Business Development

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

\$0.00

Total Fiscal Year 2018 Budget expended

\$0.00

Total Budget (Total \$, including other sources)

\$1,281,848.00

Details of additional funding sources

Funding through Chapter 224 of the Acts of 2012 received in prior years

Program / Initiative #5

Name

Collaborative Research and Development Matching Grant Program

Program Citation (Legislation) - if applicable

M.G.L. Chapter 40J, Section 4G

Legislation Website Link - if applicable

<https://malegislature.gov/Laws/GeneralLaws/PartI/TitleVII/Chapter40J/Section4G>

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

<http://innovation.masstech.org/projects-and-initiatives/collaborative-research-matching-grant-program>

Description of Program / Initiative

MassTech administers the Collaborative Research and Development Matching Grant Program to support large-scale, long-term projects that have the potential to spur innovation, promote workforce and cluster development, and grow jobs by investing in critical research and development (R&D) infrastructure. These investments support R&D partnerships that bring together the Commonwealth's world-class research institutions and class-leading companies.

*Included as part of Ecosystem and Business Development

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

\$5,000,000.00

Total Fiscal Year 2018 Budget expended

\$4,960,771.00

Total Budget (Total \$, including other sources)

\$5,228,148.00

Details of additional funding sources

Previous year funds and Innovation Institute funds

Program / Initiative #6

Name

M2I2 (Massachusetts Manufacturing Innovation Initiative)

Program Citation (Legislation) - if applicable

Item 7002-8007 of Section 2A of Chapter 219 of the Acts of 2016

Legislation Website Link - if applicable

<https://malegislature.gov/Laws/SessionLaws/Acts/2016/Chapter219>

Bill Item Number - if applicable

--

Program / Initiative Website Link - if one exists

<http://m2i2.masstech.org/>

Description of Program / Initiative

Massachusetts has made a substantial commitment to develop the Manufacturing USA infrastructure within the state's academic, research and manufacturing industry. Through the creation of sector-specific Manufacturing USA Centers, M2I2 (Massachusetts Manufacturing Innovation Initiative) will advance innovations and job growth within the state through cross-collaboration among companies, universities, national labs, government, incubators, accelerators, and other academic and training institutions.

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

--

Fiscal Year 2018 Budget

\$476,220.00

Total Fiscal Year 2018 Budget expended

\$373,344.00

Total Budget (Total \$, including other sources)

\$490,971.00

Details of additional funding sources

Previous year funds and Innovation Institute funds

Program / Initiative #7

Name

Emerging Technology Cluster Development

Program Citation (Legislation) - if applicable

Section 6A of Chapter 40J of the M.G.L.s

Legislation Website Link - if applicable

<https://malegislature.gov/Laws/GeneralLaws/PartI/TitleVII/Chapter40J/Section6A>

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

<http://innovation.masstech.org/focus-areas>

Description of Program / Initiative

MassTech engages in cluster development activities to support emerging industries. In FY18, this includes cybersecurity, digital health, robotics, FinTech, advanced manufacturing, and Internet of Things ("IoT").

*Included as part of Ecosystem and Business Development

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

7002-0032

Fiscal Year 2018 Budget

\$1,500,000.00

Total Fiscal Year 2018 Budget expended
--

\$1,350,000.00

Total Budget (Total \$, including other sources)
--

\$1,811,893.00

Details of additional funding sources

A portion of the funding from the FY18 Innovation Institute appropriation will be used for other Innovation programs not separately budgeted, including Technology/Business Assistance, TechHUB Collaborative, and the Innovation Index/Research and Analysis. Innovation Institute fund balance will be used to cover costs in excess of the appropriation.
--

Program / Initiative #8

Name

TechHUB Collaborative

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

http://innovation.masstech.org/collaboratives/tech-hub-collaborative

Description of Program / Initiative

The TechHUB Collaborative works across the Commonwealth to support and grow the state's technology sector. Its Executive Committee – a committed group of leaders in industry, academia, and state government – routinely collaborates with other entrepreneurs, CEOs, state officials, professors, teachers, and industry organizations to strengthen the entrepreneurship environment, talent pipeline, brand identity and other aspects of Massachusetts's tech innovation economy.
--

*Included as part of Ecosystem and Business Development

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

not separately budgeted

Total Fiscal Year 2018 Budget expended

Total Budget (Total \$, including other sources)

Details of additional funding sources

Program / Initiative #9

Name

Innovation Index / Research & Analysis

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

<http://masstech.org/index>

Description of Program / Initiative

MassTech produces and publishes the Annual Index of the Massachusetts Innovation Economy, the Commonwealth's tool for benchmarking the status and progress of our innovation economy. Since 1997, the Index has provided users with a wealth of data and information for assessing the performance and progress of the Commonwealth's innovation sectors. Through an analysis of 22 economic indicators, the Index offers a comprehensive view of several dimensions of the innovation ecosystem.

*Included as part of Ecosystem and Business Development

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

not separately budgeted

Total Fiscal Year 2018 Budget expended

Total Budget (Total \$, including other sources)

Details of additional funding sources

Program / Initiative #10

Name

Connected Communities

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

<http://mehi.masstech.org/programs/connected-communities>

Description of Program / Initiative

The Connected Communities Initiative works with healthcare providers to encourage local collaboration and advance the adoption and use of Health IT to improve patient care and reduce healthcare costs.

*Included as part of: Healthcare Innovation

Fiscal Year 2018 Line Item Number (#### - ####) - if applicable

--

Fiscal Year 2018 Budget

\$0.00

Total Fiscal Year 2018 Budget expended

\$0.00

Total Budget (Total \$, including other sources)

\$2,673,149.00

Details of additional funding sources

Funding through Chapter 224 of the Acts of 2012 received in prior years

--

Program / Initiative #11

Name

eHealth eQuality

Program Citation (Legislation) - if applicable

--

Legislation Website Link - if applicable

--

Bill Item Number - if applicable

--

Program / Initiative Website Link - if one exists

<http://mehi.masstech.org/programs/past-programs/ehealth-equality>

Description of Program / Initiative

The eHealth eQuality program supports Behavioral Health and Long-Term and Post-Acute Care providers in Massachusetts with the adoption of interoperable Electronic Health Record systems and with programs that leverage the Commonwealth's investment in health information technology to improve operational efficiency and healthcare quality.

*Included as a part of: Healthcare Innovation

Fiscal Year 2018 Line Item Number (#### - ####) - if applicable

Fiscal Year 2018 Budget

\$0.00

Total Fiscal Year 2018 Budget expended

\$0.00

Total Budget (Total \$, including other sources)

\$532,417.00

Details of additional funding sources

Funding through Chapter 224 of the Acts of 2012 received in prior years

Program / Initiative #12

Name

Medicaid Electronic Health Records Incentive Payment Program

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

<http://mehi.masstech.org/programs/medicaid-ehr-incentive-program>

Description of Program / Initiative

The Medicare and Medicaid Electronic Health Records Incentive Programs provide financial incentives to Eligible Hospitals and Eligible Professionals to adopt, implement, upgrade and demonstrate Meaningful Use of Certified Electronic Health Record Technology. MassHealth has contracted MassTech to support and process the incentive applications in the Commonwealth.

*Included as part of Healthcare Innovation

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

\$1,941,237.00

Total Fiscal Year 2018 Budget expended

\$1,926,496.00

Total Budget (Total \$, including other sources)

\$1,926,496.00

Details of additional funding sources

Funding is received from the Executive Office of Health and Human Services through a contract with MassHealth.

Program / Initiative #13

Name

MassBroadband 123

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

<http://broadband.masstech.org/middle-mile-program>

Description of Program / Initiative

MassBroadband 123 is an open access, fiber-optic middle mile network designed, built, and owned by MassTech. The network consists of approximately 1,200 miles of fiber, connecting 123 communities in western and north central Massachusetts. It covers more than one-third of the geographic area of Massachusetts, which has more than 400,000 households and businesses and more than one million residents.

*Included as part of Broadband

Fiscal Year 2018 Line Item Number (#### - ####) - if applicable

Fiscal Year 2018 Budget

\$0.00

Total Fiscal Year 2018 Budget expended

\$0.00

Total Budget (Total \$, including other sources)

\$606,409.31

Details of additional funding sources

Funding is received from the MassBroadband 123 from Network Operator

Program / Initiative #14

Name

The Last Mile Program

Program Citation (Legislation) - if applicable

Legislation Website Link - if applicable

Bill Item Number - if applicable

Program / Initiative Website Link - if one exists

<http://broadband.masstech.org/last-mile-programs>

Description of Program / Initiative

MassTech supports and co-invests in high-speed Internet access solutions for the 45 Massachusetts towns who have lacked residential broadband service, as well as the 9 eligible communities with existing residential cable franchises which do not cover substantial areas of the towns. This program includes grants to private broadband service providers and directly to municipalities.

*Included as part of Broadband

Fiscal Year 2018 Line Item Number (##### - #####) - if applicable

Fiscal Year 2018 Budget

\$10,930,884.41

Total Fiscal Year 2018 Budget expended

\$2,571,363.49

Total Budget (Total \$, including other sources)

\$11,505,186.70

Details of additional funding sources

\$34,000 of existing MassTech funding, \$540,000 of previously drawn-down funds.

OUTCOMES OF GOALS LISTED WITHIN AGENCY'S FISCAL YEAR 2018 OFFICE OF PERFORMANCE MANAGEMENT & OVERSIGHT ANNUAL PLAN

Goal: Enhance economic growth

Opportunities for All Categories ☒ Business ☒ Citizens ☒ Communities

Relevant Program(s) & Initiative(s)	Metrics	Completed?	Results -or- Reason why not complete
Emerging Technology Cluster Development	Execute 5 high impact programs and services in the following clusters: Cybersecurity, Robotics, Analytics, Advanced Manufacturing, and Internet of Things (IoT)	Yes	<p>Major Cybersecurity Initiative: MassTech Hosted three sessions for our Cyber Ecosystem Leadership Group, formalizing and organizing this group which is comprised of 60 academic, industry and non-profit members who established a strategic framework for the Commonwealth.</p> <p>Internet of Things (IoT): MassTech supported the IoT Forum at UMass Lowell, organizing and developing this statewide IoT forum in Partnership with UMass Lowell and 75 key industry and academic leaders to help understand emerging growth opportunities related to flexible hybrid electronics.</p> <p>In addition MassTech published an IoT white paper highlighting opportunities for the development of an IoT cluster in</p>

Massachusetts and worked with TechHUB Collaborative stakeholders to evaluate ways to leverage growth within this sector.

Robotics: MassTech engaged with and supported the Governor's taskforce on Automated Vehicles resulting in better understandings of the embedded technologies and supporting sound policies to enable growth within this emerging cluster.

Artificial Intelligence: in conjunction with the TechHUB Collaborative MassTech organized a program to assess the implications of Artificial Intelligence on the tech economy and to evaluate strategies to enhance growth and increase workforce opportunities.

Advanced Manufacturing: MassTech, through the MA Manufacturing Innovation Initiative (M2I2) supported innovation in textile research by providing \$10,000,000 to the Fabric Discovery Center at UMass Lowell. This collaboration between university research, students and companies drives innovation in textile research. In addition, M2I2 provided \$4,000,000 to help launch the AIM Photonics Lab for Education & Application Prototypes which supports product development in the emerging field of integrated photonics which has applications in the development of Autonomous Vehicles, Data Storage & Telecommunications.

Emerging Technology Cluster Development	Facilitate cybersecurity workshops (series of 8 over 18 months)	Yes	<p>As part of the September 2017 Massachusetts Cybersecurity Forum MassTech hosted a number of Cyber Treks:</p> <ul style="list-style-type: none"> • Cybersecurity Research and Innovation - Accelerating Over the Horizon R&D Opportunities in Region, University, and Non-Profit Research • Expanding Collaborative Defense • Cybersecurity Product and Technology Development - Integration, Orchestration, and Collaboration • Bridging the Cybersecurity Talent Gap • Cybersecurity Customer Challenges <p>MassTech partnered on additional forums with the Massachusetts Business Roundtable, PracticePoint at Worcester Polytechnic Institute (WPI), the Massachusetts Open Cloud at Boston University, the TechHUB Collaborative and numerous cybersecurity related training and education forums hosted by the UMass President's Office.</p>
Emerging Technology Cluster Development	Develop "Doing Cyber Business" in Massachusetts point of entry welcome package	Partially	General welcome packages have been deployed through MassTech's Business Concierge Services.

Emerging Technology Cluster Development	Define Internet of Things (IoT) based on key MA market segments (Enabling Technologies, Commercial Applications, and Consumer Applications)	Yes	On August 7, 2017, MassTech published an IoT white paper highlighting opportunities for the development of an IoT cluster in Massachusetts and worked with TechHUB Collaborative stakeholders to evaluate ways to leverage growth within this sector. These findings have helped inform the focus of MassTech efforts to support the innovation economy and disseminate these IoT insights through communications and related activities.
Emerging Technology Cluster Development	Reconvene Robotics Cluster segments to focus on high priority targets, such as autonomous vehicles and marine robotics	Yes	The TechHUB Collaborative hosted a meeting on March 14, 2018 focused specifically on Robotics in order to identify and develop a growth strategy for this cluster. This has led to a focus on high value verticals including the continued development of and participation in the Woods Hole Entrepreneurship Forum focused on Marine Robotics.
Emerging Technology Cluster Development	Engage through 100+ visits with firms in key clusters like Cybersecurity, Internet of Things (IoT), and Robotics to support individual firm needs	Yes	MassTech managers and executives have engaged individually or collaboratively via site visits or at convening meetings with company representatives from approximately 120 firms for the purpose of finding ways to help these companies do business in Commonwealth

Emerging Technology Cluster Development	Support strategic growth dialogues through 30 steering committee engagements, working group sessions, or roundtables with key industry representatives	Yes	MassTech engaged with approximately 55 leadership groups with industry representation, steering committees, working groups, and roundtables to support industry, academia and non-profits to forward their innovation economy goals in all cluster development focus areas. These groups included Workforce of the Future, MassCAN, Massachusetts Open Cloud (MOC) Business Assistance, Cyber Education Training Consortium, Holyoke Innovation District, Greentown Labs Education Foundation, Northeastern ALERT's Industrial Advisory Board and many more.
TechHUB Collaborative	Support quarterly gatherings of the TechHUB Collaborative, a leadership group focused on improving the conditions for growth in state's innovation economy	Partially	The TechHUB Collaborative held two meetings in Fiscal Year 2018 (March & June). These meetings were supplemented with numerous conference calls, which made coordination of the group easier due to the busy nature of the professionals involved.
TechHUB Collaborative	Reinvigorate TechHUB Policy Working Group: engage Legislators through 4 roundtable discussions and hosting of Technology State House Day	Partially	The TechHUB Caucus hosted State House Technology Day: Megatrends and the Future of Tech In MA on January 29, 2018. The event featured over 200 attendees, company exhibitions, and the first-ever NextGEN Awards that recognized 6 companies scaling in MA, creating a new disruptive technology, demonstrating best practices in diversity hiring, or having an impact on a regional economy.

Global Entrepreneur in Residence (GEIR)	Expand GEIR program and extend to 2 additional partners	Partially	MassTech was not able to establish 2 additional partnerships in Fiscal Year 2018; however, our partnership with UMass Boston's Venture Development Center has been incredibly successful and that program expanded to include 19 GEIR companies in residence employing a total of 84 employees, and the companies have raised \$72,275,000 in investments.
Global Entrepreneur in Residence (GEIR)	Host quarterly GEIR Best Practices Community Meetings	Partially	One Best Practices Community Meeting took place in Fiscal Year 2018 and communications among various Community members occurred throughout the year.
Mass Digital Health Initiative	Leverage PULSE@MassChallenge to provide support to 20+ high-potential startups	Yes	Supported 32 startups through PULSE and worked with the Executive Office of Elder Affairs to serve as a champion for one of the startups
Mass Digital Health Initiative	Leverage TechSpring to bring innovative solutions to Western MA and provide opportunities for integration with the rest of the Commonwealth	Yes	TechSpring supported 35+ companies, held 100+ events, and held workshops to bring Boston startups to Western MA
Mass Digital Health Initiative	Track, support, and measure the growth of 10+ high-potential digital health scaling companies	Partially	Began tracking # of employees at 9 high-potential digital health companies to develop a baseline. Provided support to 10+ scaling companies by meeting one-on-one with companies and developing the Digital Health Marketplace to connect Massachusetts-based companies and customers.

Mass Digital Health Initiative	Support 100+ digital health startups and customers through a Marketplace Program	Partially	Launched the Marketplace with initial uptake of approximately 50 digital health startups and customers by the end of Fiscal Year 2018.
Technology Sector Business Assistance	Provide direct business assistance services to 200+ technology companies looking to start, grow, or hire in Massachusetts	Yes	MassTech has provided direct business assistance to 200+ companies with intentions of starting, growing, hiring or moving to the Commonwealth.
Technology Sector Business Assistance	Build pipeline of 6 qualified hands-on cyber engineers by creating a Cyber Engineering Learning Path Program in Massachusetts	No	Staffing constraints and competing priorities prevented this project from being implemented.
Technology Sector Business Assistance	Connect university talent with industry research and development interests via 6 capstone projects; identify capstone project opportunities with undergrad and grad programs at Worcester Polytechnic Institute (WPI), Boston University, UMass Amherst, Lowell and Boston, and others; and promote capstone projects to industry partners in focus sectors: Cybersecurity, Robotics, Internet of Things (IoT), Analytics, and Advanced Manufacturing	No	Staffing constraints and competing priorities prevented this project from being implemented.

Technology Sector Business Assistance	Create 4 special focus programs addressing workforce and talent beyond standard recruitment – address diversity, regions, retraining mid-careers, new training for millennials as well as community colleges	Partially	Staffing constraints and competing priorities prevented these programs from being implemented. Workforce and Talent is an ongoing priority for MassTech and there are numerous aspects of our cluster development activities that support diversity, regional economic development, mid-career training and community college programs.
Technology Sector Business Assistance	Track and support business development for 100+ companies focused on digital health, cybersecurity, advanced manufacturing, and Internet of Things (IoT)	Yes	The MassTech Business Assistance program has tracked and supported well over 100+ companies that are technology focused in areas such as digital health, cybersecurity, advanced manufacturing and IoT.
Technology Sector Business Assistance	Through entrepreneurship grantees, increase the number of business startups or expansions by 100	Yes	Through entrepreneurship grantees MassTech has increased the number of startups/expansions by 118.
Innovation Index/Research & Analysis	Develop State Talent Map aggregating relevant career development programs, pathway programs, internship and mentorship programs, as well as incumbent worker training and badging/certification programs	Partially	MassTech has a STEM Talent presentation that includes a talent map, which is a work-in-progress and is continuously updated and improved to more accurately represent the entirety of the talent/workforce development resources in the Commonwealth.
Innovation Index/Research & Analysis	Leverage UMass Amherst Workforce Data Initiative to help research and define the challenge: skills gap vs. network gap	No	Staffing constraints and competing priorities prevented this project from being implemented.

MassTech Intern Partnership	Increase participation from companies in the following sectors: Cybersecurity, Robotics, Digital Health, and Internet of Things (IoT)	Yes	Total participation by companies in the target sectors increased overall from 65 stipends awarded in 2017 to 96 stipends awarded in 2018. Participation by Digital Health and Robotics companies increased while Cybersecurity and IoT remained the same.
MassTech Intern Partnership	Pending availability of funds, meet or exceed the number Summer 2017 intern stipends	Yes	For Summer 2017 we awarded 104 internship stipends and in 2018 we awarded 175 internship stipends.
MassTech Intern Partnership	Through grantees, provide training in new skills & experiences for 60+ incumbent workers	Partially	Through the MTIP Program, 46 recent or former college or advanced degree graduates received training through an internship.

Goal: Accelerate technology use and adoption

Opportunities for All Categories ☒ Business ☒ Citizens ☒ Communities

Relevant Program(s) & Initiative(s)	Metrics	Completed?	Results -or- Reason why not complete
Last Mile Program	Help 8 remaining towns without a current pathway to broadband connectivity to identify a solution for their community	Partially	Only 1 community currently has no identified pathway to a broadband solution. Two of the 8 communities are considering a proposal from a cable broadband provider, but have not taken a vote on the proposal; two additional communities are working with MBI to finalize an action plan with a provider; and 4 communities are working on an action plan with a wireless provider.

Last Mile Program	Publish a Flexible Grant Program in the Fall of 2017 and successfully develop, execute, and administer any contracts flowing out of the Program	Yes	<p>Notice of Funding Availability for a Flexible Grant Program (2018-MBI-01) was issued last fall.</p> <p>Proposals were reviewed from six companies. These proposals seek to provide service to seventeen different towns, including towns that had other options. MBI has engaged with the providers and towns to support the towns in determining their best solution.</p> <p>By the end of Fiscal Year 2018, one town had approved a private provider proposal and a grant award was made to a provider for one town.</p> <p>As noted above, numerous towns are in different stages of evaluating Flexible Grant Program proposals.</p>
Last Mile Program	Oversee and administer contract deliverables for all private provider contracts that MBI has executed	Yes	<p>MBI is administering six grant agreements that were awarded under the initial private provider RFP 2017-MBI-02.</p> <p>Comcast has completed its work under the Broadband Extensions Program grant. The 9 underserved communities have reached 96% or greater coverage and are fully operational. MBI is in the process of closing out the grant.</p>

Last Mile Program	Coordinate with Baker-Polito Administration stakeholders to facilitate solutions to any Last Mile programmatic hurdles that develop across any of the 53 towns in the MBI Last Mile and Broadband Extensions program	Yes	MBI has worked closely with the private providers, Charter and Comcast, working to build out several towns, most notably by providing support in working with the utilities on make ready. Make ready meetings are held weekly with all utilities and providers designing and hoping to build a broadband network in over 44 communities
Last Mile Program	Assist the Executive Office of Housing and Economic Development in their oversight of direct town grants	Yes	Twenty communities have entered into an agreement with Westfield Gas + Electric to act as the town's owners project manager to build a broadband network in their community. All communities are in various levels of design and make ready and 2 towns are in construction and some operational service is occurring.
MassBroadband 123	Optimize the operations of the MassBroadband 123 network by providing quality network services and customer service	Yes	MBI and MassTech have been working through the courts to ensure that the current network operator continues to perform under the terms of their contract despite the company declaring bankruptcy. MassTech has also entered into an agreement with Holyoke Gas & Electric for emergency operator services to ensure uninterrupted services in the event that Axia is unable to fulfill its contractual responsibilities.

MassBroadband 123	Increase customer base and annual revenue generated by the MassBroadband 123 network	Yes	Based upon sales data provided by the network operator, the monthly network revenue increased over the course of Fiscal Year 2018 leading to a projected annual revenue increase of approximately \$600,000.
Connected Communities	All Communities Grantees move to production and 7 of 8 Communities Grantees achieve all 4 milestones	Yes	All 8 Grantees moved interoperability project to production and 7 of 8 Grantees completed all 4 milestones.
Connected Communities	Support the Behavioral Health Consent Collaborative through pilot rollout and iteration at two health systems	Yes	Behavioral health consent materials successfully piloted and rolled out at Brockton Neighborhood Health Center, BAMSI and High Point Treatment Center.
Connected Communities	Develop and support one additional Learning Collaborative to increase care coordination use of the Mass Hlway	Yes	Developed and ran two Health Information Exchange (HIE) Learning Collaboratives on interoperability and workflow use case planning and change management and process improvement for the HIE receiving side.
eHealth eQuality	Support 85% of grantees without vendor issues in achieving all 4 milestones	Partially	84.2% of grantees met all 4 milestones (92.1% met at least 3 milestones).
eHealth eQuality	Support all 4 Child and Adolescent Needs and Strengths (CANS) Grantees in deploying the interface in production	Yes	All 4 CANS Grantees successfully deployed the interface in production
eHealth eQuality	10 of 12 CANS sites implement the interface	Yes	All 12 CANS sites successfully implemented the interface

eHealth eQuality	Document the return on investment (ROI) for the CANS interface	Partially	All 12 behavioral health sites have submitted baseline data and we have developed surveys to capture ROI metrics at regular intervals. The ROI calculation and publication of results will be completed in FY19.
Medicaid Electronic Health Records (EHR) Incentive Payment Program	Process 3,000 applications	Yes	Processed 3,083 new applications
Medicaid EHR Incentive Payment Program	Improve processing efficiency and cycle time for applications by 25%	Partially	Finished PY16 about 8 weeks ahead of PY15, a 19% improvement, and improved the quality of validations.
Medicaid EHR Incentive Payment Program	Provide education and support to improve provider compliance and initial accuracy by 20%	Yes	Improved initial accuracy, but the largest gain came from 2nd and 3rd time right, significantly reducing the cycling of applications. This timing corresponds to the majority of the support happening after the first validation.

Goal: Harness the value of research

Opportunities for All Categories ☒ Business ☒ Citizens ☒ Communities

Relevant Program(s) & Initiative(s)	Metrics	Completed?	Results -or- Reason why not complete
-------------------------------------	---------	------------	--

Collaborative Research and Development (R&D) Matching Grant Program	Actively participate in the grant activities at the Research Centers in of each of the 6 funded programs, which include: Woods Hole Oceanographic Institution (WHOI), Worcester Polytechnic Institution (WPI), Boston University (BU), UMass Amherst, UMass Lowell, & Northeastern	Yes	MassTech remains fully engaged with our 6 funded Research Centers both individually and collaboratively, participating in steering committees, working groups and roundtable discussions supporting their industry partnership development as their research and technology advances.
Collaborative R&D Matching Grant Program	Participate in the WHOI July Leadership Forum and Entrepreneurship Showcase increasing industry participation in the Center	Yes	WHOI hosted the 3rd Annual Marine Robotics Entrepreneurship Forum in July 2017. The forum focused on emerging and market trends, startups and collaboration. MassTech was a full participant and contributed to the development of the agenda.
Collaborative R&D Matching Grant Program	Assist the Advanced Nanomanufacturing Cluster for Smart Sensors and Materials (ANSSeM) in the engagement of 3-5 new industry partners annually, with a particular focus on small and medium-sized enterprises	Yes	Northeastern's Advanced Nanomanufacturing Cluster for Smart Sensors and Materials (CSSM) formerly ANSSeM has engaged in 3 new industry partnership through March 2018.
Collaborative R&D Matching Grant Program	Participate in the development of an updated Market Assessment intended to identify opportunities in R&D and potential revenue streams	Partially	MassTech is continuously engaged in current and emerging market research to stay at the forefront of the innovation economy and to ensure that the Commonwealth maintains its leadership in R&D. The identification of potential revenue streams was put on hold to address shifting priorities.

Collaborative R&D Matching Grant Program	Refine MassTech R&D web presence in a way that it helps the Centers achieve economic development outcomes and financial sustainability	Yes	MassTech redesigned the R&D web presence within the available parameters of the existing MassTech website to better serve the economic development needs of the Research Centers.
Collaborative R&D Matching Grant Program	Facilitate engagement between Center Directors from all 6 Research Centers to develop strategic partnerships with representatives from 60 key small, medium to large sized firms in the state	Yes	The 6 Research Centers engaged in more than 60 strategic industry partnerships.
Collaborative R&D Matching Grant Program	Support 12 business or technology development events at the 6 Research Centers	Yes	MassTech supported more than 12 business/technology development events at the Research Centers including the Woods Hole Oceanographic Institution's Entrepreneurship Forum and the UMass Lowell IoT Emerging Trends and Enabling Technologies Forum.
Massachusetts Manufacturing Innovation Initiative (M2I2)	Increase volume of companies positively impacted by the program	Yes	M2I2 significantly expanded both the spectrum of entities receiving awards or submitting applications as well the geographic reach across the state. We announced, or received applications for, grants across 5 academic, 12 business and 1 national lab entities. Projects reviewed or closed in Fiscal Year 2018 impacted almost 20 different communities across the state. We also engaged 17 additional companies, universities and labs in 15 communities for our pipeline of future M2I2 candidates.

Massachusetts Manufacturing Innovation Initiative (M2I2)	Identify, co-develop, and approve qualified projects that benefit manufacturing innovation ecosystems	Yes	We announced multiple, major collaborative facilities that expanded if not created new manufacturing innovation ecosystems in functional fabrics, integrated photonics, and robotics. These collaborative Discovery Centers and Lab for Education and Application Prototypes (LEAP) facilities will create new jobs by enabling companies to develop and prototype new products. In Fiscal Year 2018, we completed and cut the ribbon on the most ambitious of these facilities, the UMass Lowell Fabric Discovery Center, home to the first and only site in the nation that integrates discoveries from three Manufacturing USA Innovation Institutes (Advanced Functional Fabrics of America (AFFOA), NextFlex and and Advanced Robotics for Manufacturing (ARM)).
M2I2	Create more jobs in the Commonwealth	Yes	Overall, M2I2 projects announced in Fiscal Year 2018, plus applications received, will directly result in 100 - 200 new, high-skill advanced manufacturing jobs and significant business expansion at every company for which grant applications were received or grants announced.

Massachusetts Manufacturing Innovation Initiative (M2I2)	Fabric Discovery Centers: work with Advanced Functional Fabrics of America (AFFOA) to establish product prototyping capability to demonstrate pilot level capability for preform/fiber	Yes	The UMass Lowell Fabric Discovery Center was completed in Fiscal Year 2018, and is the only site in the U.S. that integrates discoveries from three Manufacturing USA Innovation Institutes. The Fabric Discovery Center features dedicated space for design, prototyping, pilot manufacturing and testing. It integrates high-tech fabrics, flexible electronics and robotics.
Massachusetts Manufacturing Innovation Initiative (M2I2)	Support development of education and training facilities and train more workers in the key technology focus areas	Yes	Examples include: The a Vocational High School training program, with an Advanced Functional Fabrics focus, in the Lawrence Technical High School's STEAM Academy; thousands of factory workers that will be trained across the Commonwealth in robotics via Teach-Bot deployment; a Professional Education Academy in integrated photonics held at MIT using the M2I2 investments, attended annually by 50-70 photonics industry professionals; a collaboration between Worcester Polytechnic Institute (WPI) and Quinsigamond Community College (QCC) that allows the university and the community college to develop photonics curricula in manufacturing, utilizing a new facility that will support existing companies, expand opportunities for entrepreneurs,

			and create new workforce development and educational programs; and multiple UMass Lowell, UMass Amherst, and WPI undergrads and grad students receiving training and financial support.
Massachusetts Manufacturing Innovation Initiative (M2I2)	Market M2I2 and advanced manufacturing initiatives at external conferences, summits and similar presentation opportunities throughout the state	Yes	In Fiscal Year 2018 we presented and publicized M2I2 at over 20 events including: the Worcester Business Journal Manufacturing Summit, Small Business Innovation Research (SBIR) Workshop, Massachusetts Institute of Technology (MIT) Regional Innovation Ecosystem panel, The Boston Manufacturing Meetup, Worcester Chamber of Commerce Manufacturing Forum, Cape Cod Chamber of Commerce, and IDTechEx Business & Technology Insight Forums.
Massachusetts Manufacturing Innovation Initiative (M2I2)	Engage with executive management teams of American Institute for Manufacturing Integrated Photonics (AIM Photonics), Advanced Functional Fabrics of America (AFFOA), NextFlex, and and Advanced Robotics for Manufacturing (ARM)	Yes	We continued to have a valued and impactful presence on the Board of Directors of AFFOA, the Leadership Council of AIM Photonics, and key member meetings of both ARM and NextFlex. In addition, in collaboration with UMass Amherst, UMass Lowell, and UMass President's office, we initiated an application in Fiscal Year 2018 to become a Node of NextFlex, which gives us additional presence and leverage at NextFlex including a seat on their Leadership Council.

INVESTMENTS AND GRANTS AWARDED OR PROVIDED BY THE AGENCY DURING FISCAL YEAR 2018

Award Overview

Name of Award Program - or - Investment	Name of Recipient	Description of Award or Investment	Amount (if applicable)	Municipality of Recipient *if regional or state-wide, please indicate
Innovation Institute	Lever, Inc.	Support for community-based entrepreneurship services and support in the Berkshire County region of Massachusetts	\$75,000.00	North Adams
Innovation Institute	UMass - Boston	Support for the Global Entrepreneur in Residence (Global EIR) pilot program	\$50,000.00	Boston
Massachusetts Broadband Institute	Comcast (Comcast of Massachusetts II, & Comcast of Massachusetts/Virginia, Inc.)	Last Mile Grant for Broadband Build-out in Worthington	\$2,213,809.00	
Massachusetts Broadband Institute	Montgomery, Town of	Broadband Planning Assistance Grant	\$5,000.00	
Massachusetts eHealth Institute	Colorado Health Institute	Support for development of a report on the state-level costs of informal caregiving to Massachusetts employers and a tool that will allow employers to estimate	\$14,000.00	
Massachusetts eHealth Institute	MassChallenge Inc.	Support for the Digital Health Hub	\$170,000.00	Boston

Award Overview				
Name of Award Program - or - Investment	Name of Recipient	Description of Award or Investment	Amount (if applicable)	Municipality of Recipient *if regional or state-wide, please indicate
Massachusetts eHealth Institute	TechSpring	Support for the Digital Health Hub	\$80,000.00	Springfield
MBI Last Mile	Charter Communications	Build out broadband network to 96% of the town of Hancock	\$530,000.00	Hancock
MBI Last Mile	Charter Communications	Build out broadband network to 96% of the town of Egremont	\$1,185,000.00	Egremont
MBI Last Mile	Charter Communications	Build out broadband network to 96% of the town of Princeton	\$910,000.00	Princeton
MBI Last Mile	Charter Communications	Build out broadband network to 96% of the town of Peru	\$1,115,000.00	Peru
MBI Last Mile	Charter Communications	Build out broadband network to 96% of the town of Tyringham	\$680,000.00	Tyringham
MBI Last Mile	Montgomery, Town of	Town of Montgomery: Broadband Planning Assistance Grant	\$5,000.00	Montgomery

Award Overview				
Name of Award Program - or - Investment	Name of Recipient	Description of Award or Investment	Amount (if applicable)	Municipality of Recipient *if regional or state-wide, please indicate
Innovation Institute	24M Technologies	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Cambridge
Innovation Institute	AdaptiveAlgo Systems, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$9,600.00	Somerville
Innovation Institute	Admetsys Corporation	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$9,600.00	Boston
Innovation Institute	Advanced Continuing Education Association, Inc. (ACEA)	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Boston
Innovation Institute	Armored Things	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$9,600.00	Boston
Innovation Institute	Artaic LLC	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Boston
Innovation Institute	Artaic LLC	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Boston

Award Overview				
Name of Award Program - or - Investment	Name of Recipient	Description of Award or Investment	Amount (if applicable)	Municipality of Recipient *if regional or state-wide, please indicate
Innovation Institute	AUGMENTx, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$6,400.00	Boston
Innovation Institute	Bare Tree Media Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Boston
Innovation Institute	Barnstorm Studio, LLC dba BSS Additive	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$6,400.00	South Hadley
Innovation Institute	BlinkAI Technologies	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Boston
Innovation Institute	BlocHealth	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$6,400.00	Haverhill
Innovation Institute	Bluefin Technology Partners, LLC	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$6,400.00	Worcester
Innovation Institute	Blustream Corporation	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$9,600.00	Worcester

Award Overview				
Name of Award Program - or - Investment	Name of Recipient	Description of Award or Investment	Amount (if applicable)	Municipality of Recipient *if regional or state-wide, please indicate
Innovation Institute	BrainCo, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Somerville
Innovation Institute	BrainCo, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Somerville
Innovation Institute	BrainCo, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$9,600.00	Somerville
Innovation Institute	CareAcademy.com	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Cambridge
Innovation Institute	CareAcademy.com	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$6,400.00	Cambridge
Innovation Institute	Clinical Research IO (CRIO, Inc)	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$6,400.00	Cambridge
Innovation Institute	Compt Inc	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Cambridge

Award Overview				
Name of Award Program - or - Investment	Name of Recipient	Description of Award or Investment	Amount (if applicable)	Municipality of Recipient *if regional or state-wide, please indicate
Innovation Institute	ConquerX LLC	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$6,400.00	Boston
Innovation Institute	CorrSolutions LLC	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Wilbraham
Innovation Institute	Covered Security, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$6,400.00	Boston
Innovation Institute	Credo Education Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Boston
Innovation Institute	Cuseum, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Boston
Innovation Institute	D&M Aviation Software Inc dba VoyagerFBO	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	New Bedford
Innovation Institute	Day Zero Diagnostics, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Allston

Award Overview				
Name of Award Program - or - Investment	Name of Recipient	Description of Award or Investment	Amount (if applicable)	Municipality of Recipient *if regional or state-wide, please indicate
Innovation Institute	DeepHealth Inc	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$6,400.00	Boston
Innovation Institute	Diesel Labs, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Winchester
Innovation Institute	Diversity Dashboard	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$6,400.00	Watertown
Innovation Institute	Door of Clubs, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$6,400.00	Boston
Innovation Institute	DynamiCare Health, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Boston
Innovation Institute	DynamiCare Health, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$6,400.00	Boston
Innovation Institute	Dynamo Micropower Corporation	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Somerville

Award Overview				
Name of Award Program - or - Investment	Name of Recipient	Description of Award or Investment	Amount (if applicable)	Municipality of Recipient *if regional or state-wide, please indicate
Innovation Institute	Edu-Cred, Inc	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Somerville
Innovation Institute	Evisort Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$6,400.00	Boston
Innovation Institute	FloDesign Sonics, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$6,400.00	Wilbraham
Innovation Institute	Folia Health, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$6,400.00	Cambridge
Innovation Institute	Gamify Inc dba Gamify Science	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$6,400.00	West Newton
Innovation Institute	GenoSpace, LLC	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Cambridge
Innovation Institute	GenoSpace, LLC	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$6,400.00	Cambridge

Award Overview				
Name of Award Program - or - Investment	Name of Recipient	Description of Award or Investment	Amount (if applicable)	Municipality of Recipient *if regional or state-wide, please indicate
Innovation Institute	Greensight Agronomics, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Boston
Innovation Institute	Greensight Agronomics, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Boston
Innovation Institute	Grove Labs, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Somerville
Innovation Institute	InMotion Systems, LLC	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Northborough
Innovation Institute	InMotion Systems, LLC	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Northborough
Innovation Institute	Instafreebie (Libboo, Inc.)	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$6,400.00	Watertown
Innovation Institute	Integrated Eco Strategy, LLC	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	North dams

Award Overview				
Name of Award Program - or - Investment	Name of Recipient	Description of Award or Investment	Amount (if applicable)	Municipality of Recipient *if regional or state-wide, please indicate
Innovation Institute	iSlide, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$6,400.00	Boston
Innovation Institute	iSpecimen, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Lexington
Innovation Institute	iSpecimen, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Lexington
Innovation Institute	iSpecimen, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Lexington
Innovation Institute	Iterative Scopes	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$9,600.00	Cambridge
Innovation Institute	Jinn Tech	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$6,400.00	Wayland
Innovation Institute	Latch Mobile LLC	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Boston

Award Overview				
Name of Award Program - or - Investment	Name of Recipient	Description of Award or Investment	Amount (if applicable)	Municipality of Recipient *if regional or state-wide, please indicate
Innovation Institute	Legionarius Defense LLC	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Sudbury
Innovation Institute	Legionarius Defense LLC	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Sudbury
Innovation Institute	Lever, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	North Adams
Innovation Institute	Logan Data Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$6,400.00	Westford
Innovation Institute	Loro	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$9,600.00	Allston
Innovation Institute	Lowell Instruments LLC	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	North Falmouth
Innovation Institute	LTI Smart Glass Inc	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$6,400.00	Pittsfield

Award Overview

Name of Award Program - or - Investment	Name of Recipient	Description of Award or Investment	Amount (if applicable)	Municipality of Recipient *if regional or state-wide, please indicate
Innovation Institute	MassRobotics	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Boston
Innovation Institute	Milton Finch Inc. dba Ladder	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$9,600.00	Boston
Innovation Institute	My Exit Strategy, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Boston
Innovation Institute	Nano-Ice, LLC	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Brookline
Innovation Institute	NeuroScouting LLC	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Cambridge
Innovation Institute	OnHand LLC	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Boston
Innovation Institute	Orbita, Inc	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Boston

Award Overview				
Name of Award Program - or - Investment	Name of Recipient	Description of Award or Investment	Amount (if applicable)	Municipality of Recipient *if regional or state-wide, please indicate
Innovation Institute	Orbita, Inc	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Boston
Innovation Institute	PathAI, Inc	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Cambridge
Innovation Institute	PathAI, Inc	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$6,400.00	Cambridge
Innovation Institute	Patient Steward dba Docent Health	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Boston
Innovation Institute	Perch (Catalyft Labs, Inc)	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$9,600.00	Cambridge
Innovation Institute	Persistence Plus LLC	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Charlestown
Innovation Institute	Piaggio Fast Forward, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$9,600.00	Charlestown

Award Overview

Name of Award Program - or - Investment	Name of Recipient	Description of Award or Investment	Amount (if applicable)	Municipality of Recipient *if regional or state-wide, please indicate
Innovation Institute	Price Intelligently (200OK, LLC)	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$6,400.00	Boston
Innovation Institute	Profitect Inc	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$9,600.00	Burlington
Innovation Institute	Proximie, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Bedford
Innovation Institute	QuantUniversity, LLC	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Somerville
Innovation Institute	Radial Analytics, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Concord
Innovation Institute	Rail Pod, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$9,600.00	Boston
Innovation Institute	Raptor Maps, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$6,400.00	Somerville

Award Overview

Name of Award Program - or - Investment	Name of Recipient	Description of Award or Investment	Amount (if applicable)	Municipality of Recipient *if regional or state-wide, please indicate
Innovation Institute	Rendever, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Cambridge
Innovation Institute	RightHand Robotics, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Somerville
Innovation Institute	Sea Machines Robotics Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$9,600.00	Boston
Innovation Institute	Segterra Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$9,600.00	Cambridge
Innovation Institute	Senscio Systems, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Boxborough
Innovation Institute	Senscio Systems, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$9,600.00	Boxborough
Innovation Institute	Shoobx, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$6,400.00	Cambridge

Award Overview

Name of Award Program - or - Investment	Name of Recipient	Description of Award or Investment	Amount (if applicable)	Municipality of Recipient *if regional or state-wide, please indicate
Innovation Institute	Smart Lunches Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Boston
Innovation Institute	Solstice Power Technologies, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$6,400.00	Cambridge
Innovation Institute	Soltrix Technology Solutions, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Westborough
Innovation Institute	Spiro Technologies, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$6,400.00	Boston
Innovation Institute	Spyce Food Co.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Somerville
Innovation Institute	Spyce Food Co.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Somerville
Innovation Institute	SystemOne, LLC	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Springfield

Award Overview

Name of Award Program - or - Investment	Name of Recipient	Description of Award or Investment	Amount (if applicable)	Municipality of Recipient *if regional or state-wide, please indicate
Innovation Institute	TarDisk, LLC	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Allston
Innovation Institute	Tervela, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Boston
Innovation Institute	TetraScience	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Allston
Innovation Institute	The Texthood	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$6,400.00	Boston
Innovation Institute	Top-Up	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Allston
Innovation Institute	TurnGram, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Brookline
Innovation Institute	UbiCare (TPR Media LLC)	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Jamaica Plain

Award Overview				
Name of Award Program - or - Investment	Name of Recipient	Description of Award or Investment	Amount (if applicable)	Municipality of Recipient *if regional or state-wide, please indicate
Innovation Institute	UbiCare (TPR Media LLC)	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$9,600.00	Jamaica Plain
Innovation Institute	Valt (Mindburner Inc.)	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$6,400.00	North Adams
Innovation Institute	Vee24	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$6,400.00	Boston
Innovation Institute	Veo Robotics, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Waltham
Innovation Institute	Visible Systems Corporation	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Boston
Innovation Institute	Voatz	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$6,400.00	Brookline
Innovation Institute	WatchRx, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Acton

Award Overview				
Name of Award Program - or - Investment	Name of Recipient	Description of Award or Investment	Amount (if applicable)	Municipality of Recipient *if regional or state-wide, please indicate
Innovation Institute	Wellable, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Boston
Innovation Institute	Wellist	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Boston
Innovation Institute	Z Imaging Inc	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Allston
Innovation Institute	Zoba, Inc.	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Boston
Innovation Institute	ZyloTech	Intern Stipend Grants to technology start-up companies participating in the MassTech Intern Partnership Program	\$3,200.00	Cambridge

**TECHNICAL ASSISTANCE PROVIDED BY THE AGENCY
DURING FISCAL YEAR 2018**

Overview

Name of Recipient	Description of Technical Assistance provided	Municipality of Recipient *if regional or state-wide, please indicate
North Shore Innoventures	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Beverly
Ofcounsels	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Springfield
iSlide	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston
British Consulate General	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Cambridge

InTeaHouse	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Cambridge
Bewell-Connect	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Cambridge
MedBlob	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston
FarmThrift	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Dartmouth
Acclivis Technologies	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	India

Bitome	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston
iWinHealth	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Amherst
Remote Sensing Solutions	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Barnstable
Martins Tech	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Natick
HILL for Literacy	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Woburn

Salient Care	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Brookline
Where's My Breakthrough	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Cambridge
D&M Aviation LLC	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Easton, PA
The Texthood	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston
Verde LLC	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Stoughton

PowerDocks	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Fall River
Sprio Technologies	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston
2020 Onsite	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston
Clear Gov	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Maynard
Virtudent	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Newton

Onduo	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Newton
Partners Connected Health Innovation	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston
Twiage	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	New York, NY
PatientPing	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston
Ovia Health	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston

Center for Marine Robotics	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Woods Hole
Interscope	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Whitinsville
Ori	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston
Rootastes	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Somerville
Brain Power	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Cambridge

Entrepreneur Innovation Center	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Framingham
Optimus Ride	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston
Applause	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Framingham
Healthimation	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston
Locus Robotics	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Wilmington

Neurala	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston
Galaxy AI	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Cambridge
Persistence Plus	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston
System One	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Springfield
Lumme	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Amherst

AnyCafe	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Springfield
128 Technology	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Burlington
Hydroswarm	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston
Greentown Labs	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Somerville
SolidEnergy Systems	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Woburn

Raytheon	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Waltham
TailoredCare	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston
Desktop Metal	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Burlington
Veo Robotics	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Waltham
Ascend Robotics	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Cambridge

Soft Robotics	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Cambridge
Rotoplas	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Mexico City, MX
Witekio	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	France
Via Separations	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Cambridge
Genians	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	North Andover

Amplifyfi	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Cardiff, Wales, UK
Scottish Development International	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston
USCYBERCOM	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston
OSRAM	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Malaysia
SMRE America	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Middleburg Heights, OH

Daegu Robotics	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	South Korea
Technically Amazing	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Chicopee
DisCE Digital	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	New York, NY
SurgiBox	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Cambridge
Gibson Engineering	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Norwood

Annlyz	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston
Just-A-Start	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Cambridge
NEWIN	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston
Polaris Contract Manufacturing	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Marion
Storen Tech	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Stony Brook, NY

Dongguan Mayor's Summit	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Dongguan, China
Aqua Gen	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	South Yarmouth
Leyton UK	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston
iHope Network	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Beverly
New England Hydropower Company	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Beverly

Hong Kong Trade Development Council	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	New York, NY
Cibao Cloud	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Porthsmith, RH
AutoEntry	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Dublin, Ireland
TopSec	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston
Logz.io	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston

GreatHorn	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Belmont
Prior Scientific	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Rockland
Vata Verks	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Arlington
TrucBrush	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Easton
The Render Project	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Tiverton, RH

Nortechno	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Olso, Norway
Motivating Minds Inc	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Searcy, AR
Point Guard Systems	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	North Providence, RH
Compt Inc	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Cambridge
Biosay	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston

figur8	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston
ePublish Corp	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Belmont
HelloTeam	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston
Ezekiel Nail	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	
OneCyte Biotechnology	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Somerville

FGC Plasma Solutions	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Cleveland, OH
HealthCorum	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston
Diva Technologies	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	
Ava Robotics	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Cambridge
ViClarity	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Quincy

TechCode	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Somerville
RightHand Robotics	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Somerville
Inditex	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Spain
Alkemy Environmental	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston
EWI	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Columbus, OH

ixBlue	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Natick
Streetparkd	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston
Ayar Labs	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Emeryville, CA
enVirid	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Westwood
Confederation of Danish Industry	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Denmark

Care4Ward	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Bedford, MA
MyCoralHealth	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston
Nurimeddy	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Brookline
Servier	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Neuilly-Sur-Seine France
DocFlight	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	New York, NY

Clinishift	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Dublin
d.health	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	
DynamicCare Health	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Houston, TX
Pangaea	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Newport, RI
Kaia	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston

CareSyntax	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston
insulcloud	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Madrid, Spain
HealthApp	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	
Sompo	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston
ThinkMD	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Burlington, VT

EDI Institute	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston
MDClone	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Beer Sheba, Israel
Act.md	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston
HealthBeacon	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	South Boston
Moving Analytics	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	San Francisco, CA

3Derm	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston
Safe in Home	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	
Belux Group	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Belgium
Baxter	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Deerfield, IL
Kyruus	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston

GNS Healthcare	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Cambridge
CareAdacemy	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Cambridge
Intensix	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Netanya, Israel
MedAware	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Raanana, Israel
Medisafe	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston

MobileDOT	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Miami, FL
Informatics in Context	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston
Datycs	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Methuen
EMD Serono	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston
QueueDr	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	

Hey,Charlie	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Cambridge
Redox	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Madison, WI
VRPhysio	The Innovation Institute provided referrals, insights, and channels to opportunity in the Commonwealth via a suite of known programs, incentives, and resources available to startup companies in Massachusetts.	Boston

LOANS, REAL ESTATE LOANS, WORKING CAPITAL LOANS AND GUARANTEES
APPROVED BY THE AGENCY IN FISCAL YEAR 2018

Overview

Not Applicable

OTHER FINANCIAL ASSISTANCE PROVIDED

Overview

Not Applicable

PATENTS & PRODUCTS RESULTING FROM AGENCY-FUNDED ACTIVITIES

Name of Recipient

Not Applicable



OFFICE OF PERFORMANCE MANAGEMENT AND OVERSIGHT

POINT OF CONTACTS

Point of Contact for Head of Agency

Name

Carolyn Kirk

Title

Interim Executive Director

Agency

Massachusetts Technology Collaborative

Email Address

carolyn.kirk@mass.gov

Phone Number (123-456-7890)

617-788-3622

Point of Contact for Performance Reporting Matters

Name

Jennifer M. Saubermann

Title

Director of Intragovernmental Affairs & Associate General Counsel

Agency

MassTech Collaborative

Email Address

saubermann@masstech.org

Phone Number (123-456-7890)

617-371-3999, x204

Massachusetts Technology Park Corporation

(A Component Unit of the
Commonwealth of Massachusetts)

Financial Statements and
Required Supplementary Information

Year Ended June 30, 2018

Massachusetts Technology Park Corporation
(A Component Unit of the Commonwealth of Massachusetts)

Financial Statements and Required Supplementary Information
Year Ended June 30, 2018

CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-2
Management's Discussion and Analysis (Unaudited).....	3-15
Financial Statements:	
Government-wide Financial Statements as of and for the Year Ended June 30, 2018:	
Statement of Net Position	16
Statement of Activities	17
Fund Financial Statements as of and for the Year Ended June 30, 2018:	
Balance Sheet - Governmental Fund	18
Statement of Revenue, Expenditures and Changes in Fund Balance - Governmental Fund.....	19
Statement of Net Position - Proprietary Fund.....	20
Statement of Revenue, Expenses and Changes in Net Position - Proprietary Fund.....	21
Statement of Cash Flows - Proprietary Fund	22
Notes to Financial Statements.....	23-39
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	40-41
Financial Statements Internal Control Finding	42



RSM US LLP

Independent Auditor's Report

To the Board of Directors of
Massachusetts Technology Park Corporation

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Massachusetts Technology Park Corporation (the "Organization"), a component unit of the Commonwealth of Massachusetts, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Organization as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

Emphasis of Matter

As discussed in Note 8 to the financial statements, the July 1, 2017 fund balance for the general fund was restated for the correction of errors related to long-term liabilities that should not have been included in the general fund and the classification between fund balance categories. Further, the July 1, 2017 net position for governmental activities was restated for the correction of an error related to classification between net position categories. Our opinions are not modified with respect to these matters.

As discussed in Note 10 to the financial statements, a final award was made relating to ongoing litigation matters that required the Organization to make an \$8.2 million payment. Management's evaluation of the payment and management's plans to mitigate this matter are also described in Note 10. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2018, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

RSM US LLP

Boston, Massachusetts
December 21, 2018

Massachusetts Technology Park Corporation

(A Component Unit of the Commonwealth of Massachusetts)

Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2018 and 2017

This section of the Massachusetts Technology Park Corporation's annual financial report presents management's discussion and analysis of the financial performance during the fiscal years ended June 30, 2018 and 2017. Please read it in conjunction with the financial statements, which follow this section.

Agency Overview

The Massachusetts Technology Park Corporation does business as the Massachusetts Technology Collaborative ("Mass Tech Collaborative" or "MassTech"). MassTech is an innovative public agency that works to accelerate technology adoption and use, enhance economic growth in the Massachusetts technology sector, and support research collaborations among industry, academia, and government.

MassTech is advancing economic development in key areas such as digital health technology, information technology, broadband deployment, advanced manufacturing, and other emerging sectors such as cybersecurity, robotics and the Internet of Things (IoT). Over its 36 year history, MassTech has managed numerous complex projects, overseeing more than \$603 million in public funding by providing grants, loans and other financial assistance to thousands of projects across the Commonwealth of Massachusetts (the "Commonwealth"). Through its three major divisions - the Innovation Institute, the Massachusetts eHealth Institute ("MeHI"), and the Massachusetts Broadband Institute ("MBI"), MassTech is stimulating economic activity throughout the Commonwealth. MassTech brings together leaders from industry, government, and academia to advance technology-based solutions that strengthen regional economies, improve the healthcare system, expand high-speed internet access, and stimulate cluster growth.

The Innovation Institute at MassTech

The Innovation Institute at MassTech is chartered to support the economic conditions for growth for the Commonwealth's technology and innovation-based economy. The Innovation Institute works closely with key stakeholders in academia, industry, public and nonprofit sectors to strengthen capacities in research, technology and business development, talent and capital which lead to new business formation and job growth in the state's innovation economy. These efforts help create, attract, and grow companies in emerging and established technology sub-sectors such as robotics, internet of things, advanced manufacturing, and cybersecurity.

The Innovation Institute engages in grant activities; manages projects and provides direct services for civic, industry and nonprofit organizations; and analyzes the Massachusetts innovation economy. The Institute also:

- Supports rigorous, collaborative, interdisciplinary research and development partnerships at Massachusetts universities;
- Enhances the ability of the Commonwealth's academic research centers to compete for millions of dollars in federal research awards;
- Secures the economic benefits of downstream production and employment for the Commonwealth as new research and technologies are commercialized in the marketplace;
- Partners with and invests in novel talent development initiatives such as internship support, K-12 exploratory computer science and technology programs/curriculum; targeted higher education and adult education technology training programs;
- Supports the growth of entrepreneurs in Massachusetts through business accelerator and mentorship programs as well as its direct support for the novel Global Entrepreneurs in Resident Program (GEIR), a program targeted toward qualifying international students for H-1B visas in Massachusetts. The Innovation Institute sponsors a GEIR Communities of Best Practice stakeholder group;

Massachusetts Technology Park Corporation

(A Component Unit of the Commonwealth of Massachusetts)

Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2018 and 2017

Innovation Institute at MassTech....Continued

- Strengthens technology and business development by aligning technology capacities at our research institutions with the needs of industry;
- Provides business assistance services targeted toward firms in the technology sector. The Innovation Institute provides referrals to state resources as well as helps startup entrepreneurs and tech firms leverage other resources in the tech ecosystem;
- Supports regional innovation economies and cluster growth through its regional priority grant program. Through this program the Innovation Institute supports high value innovation based economic development activities.

Some examples of the Innovation Institute's cluster development activities include:

- Support of targeted cluster growth opportunities in the Tech Sector;
- Facilitation of the Massachusetts Tech Hub Collaborative, a focused group of industry leaders that shapes policy and growth strategies for the digital technology sector;
- Analysis of opportunities for growth in technology clusters such as robotics, IoT, FinTECH, and autonomous vehicles;
- Convening key stakeholders in promising clusters to develop consensus around targeted action agendas.

The Innovation Institute began efforts in the cybersecurity arena and convened the first-ever Massachusetts Cybersecurity Forum focused on expanding cybersecurity leadership, business growth, talent and workforce, and advancing technology in the global cybersecurity arena. At the event, Governor Charlie Baker announced the creation of the Cybersecurity Growth and Development Center at the Massachusetts Technology Collaborative ("MassCyberCenter"). The MassCyberCenter is working to strengthen ties and create a center of gravity around the evolving cybersecurity ecosystem. The MassCyberCenter is also working with key stakeholders on the development of a comprehensive cybersecurity plan.

As a mechanism to drive growth in industry clusters the Innovation Institute administers a \$50 million Scientific and Technology Research and Development Matching Grant Fund which was created by the Massachusetts Legislature. In August 2016, Governor Baker signed an economic development bill, "An Act Relative to Job Creation and Workforce Development", which provides \$50 million in additional authorization for the Innovation Institute's **Scientific and Technology Research and Development Matching Grant Fund**. This program provides matching capital funds for scientific or technology research and development projects sponsored by the University of Massachusetts, research universities, non-profit entities, or non-profit research institutions in the Commonwealth. To date, six awards have been made under this fund for a total of \$25 million of capital investment to fund and help develop large-scale, long-term collaborative research projects sponsored by Massachusetts-based research entities. The Innovation Institute strengthens research capacity in the Commonwealth through these research investments and by convening the Directors of its eleven research centers to share best practices and to promote partnerships with key industry partners.

Massachusetts Technology Park Corporation

(A Component Unit of the Commonwealth of Massachusetts)

Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2018 and 2017

Innovation Institute at MassTech...Continued

As briefly referenced above the Innovation Institute also continues to manage two initiatives focused on growing startups and connecting talented students: the MassTech Intern Partnership and the Massachusetts Innovation Mentoring Initiative. The Intern Partnership pays matching stipends to small- and medium-sized technology companies in Massachusetts to support the hiring of two- and four-year college students as interns. MassTech's Entrepreneur Mentoring effort is designed to support regional entrepreneur mentoring activities in underserved regions of the state through support for organizations that provide seasoned mentors to emerging startups.

The Baker/Polito Administration established the Massachusetts Manufacturing Innovation Initiative (M2I2) in fiscal year 2016 as a key pillar of their innovation growth strategy for Massachusetts and established oversight of this initiative at MassTech. This initiative represents a substantial commitment to develop manufacturing infrastructure within the state's academic, research and manufacturing industry, and is a direct response to the National Network for Manufacturing Institutes (NNMI), a rolling series of federally sponsored advanced manufacturing competitions. The M2I2 is a state-sponsored collaboration of five manufacturing innovation institutes in Massachusetts that are affiliated with the NNMI and leverages the leading Massachusetts research universities to strengthen the Commonwealth's research-to-manufacturing infrastructure. It boosts economic development by supporting job creation and growth in existing and emerging industry clusters across Massachusetts. In fiscal year 2018 alone the M2I2 announced grants involving 3 academic, 9 industry and 1 national lab entity, projected to lead to 100-200 new, high-skill advanced manufacturing jobs.

Massachusetts eHealth Institute

Through MeHI, MassTech is working to accelerate the growth and adoption of technologies that save lives and reduce costs in healthcare. MeHI was created through the passage of Chapter 305 of the Acts of 2008, tasked to improve healthcare quality and increase efficiency through the increased adoption of innovative technologies. MeHI connects policymakers, healthcare experts, physicians, and business leaders, helping to break down the barriers to widespread integration of these advanced technologies.

Chapter 224 of the Acts of 2012 included provisions which enhanced MeHI's charge to expand its focus on key priorities including the statewide implementation of electronic health records ("EHRs") in all provider settings, helping providers connect these EHRs to the Commonwealth's health information exchange, the Mass Hlway, identify and promoting technologies with the potential to improve the quality and reduce the cost of healthcare; helping providers continue to evolve their use of EHRs to comply with future meaningful use stages; and promoting the understanding of the benefits of Health Information Technology ("Health IT") to providers, patients, and the general public. This law also created a requirement that providers implement and use electronic health record technology in order to continue to practice in the Commonwealth. MeHI helps providers comply with this requirement through educational programs, technical support, and grants to support implementation of EHRs in healthcare delivery settings. To support this, the Massachusetts Legislature provided MeHI with funding of \$28.5 million over a four-year period, which ended in fiscal year 2017.

In January 2016, Governor Charlie Baker announced the establishment of a Massachusetts Digital Health Initiative designed to position Massachusetts as the leading global ecosystem for digital health innovation, and announced that MeHI would serve as the state's implementation agency for the Initiative. Digital Health is among the fastest growing industry sectors in the country and Massachusetts is positioned at the forefront of this growth, combining its strengths in both healthcare and technology to drive digital health innovation.

Massachusetts Technology Park Corporation

(A Component Unit of the Commonwealth of Massachusetts)

Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2018 and 2017

Massachusetts eHealth Institute...continued

Massachusetts is already home to more than 350 digital health companies and aims to increase the growth of these firms. Later in 2016, MeHI's mission was expanded through enacted state economic development legislation which charged MeHI with supporting the growth of a digital health industry sector within the Commonwealth.

During 2018, MeHI's primary technology adoption efforts were focus in four existing programs and a new services program:

The **Digital Health Marketplace Program** supports both digital health entrepreneurs and customers. This program is a cornerstone of MeHI's efforts to grow and nurture the Commonwealth's digital health ecosystem under the direction of the Massachusetts Digital Health Initiative. Marketplace Program activities in fiscal year 2018 include:

- Awarding \$250,000 in additional grant funding for the Commonwealth's two primary digital health accelerators: PULSE@MassChallenge in Boston and TechSpring at Baystate Health in Springfield. With this funding, the two accelerators provided targeted support for over 60 digital health startups, helping them grow and compete;
- Maintenance of the online Digital Health Marketplace and the enhancements to the MassDigitalHealth.org community website, including maintenance of an ecosystem directory housing over 350 Massachusetts digital health companies and creation of a digital health jobs board;
- Designing and beginning implementation of a business development effort targeted at both local and out-of-state and international firms interested in relocating to Massachusetts. In fiscal year 2018, MeHI provided assistance to over a dozen companies interested in relocating to Massachusetts;
- Focus on supporting innovation in aging and caregiving in alignment with the Baker Administration's priorities. These activities included contracting with the Colorado Health Institute to develop a report and tool to quantify the impact of employee caregiver costs on Massachusetts employers and leading the efforts to advance the sharing of e-advance care planning documents in the Commonwealth.

To coordinate a shared strategy across the Baker-Polito Administration and private sector stakeholders around the direction of the Mass Digital Health Initiative, MassTech also maintains a Marketplace Program industry advisory group and provides management support to the Governor's Digital Health Advisory Council.

MeHI's **Medicaid Services** team provides enrollment and validation services relating to the Medicaid Incentive Program under an agreement with the Commonwealth of Massachusetts Executive Office of Health and Human Services.

In March of 2018, MeHI started the **Hiway Adoption and Outreach Services** efforts intended to provide development and delivery of services to promote Health Information Exchange adoption and utilization among healthcare providers under an agreement with the Commonwealth of Massachusetts Executive Office of Health and Human Services.

Massachusetts Technology Park Corporation

(A Component Unit of the Commonwealth of Massachusetts)

Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2018 and 2017

Massachusetts eHealth Institute...continued

The **eHealth eQuality Program** was designed to support behavioral health (BH) and long-term and post-acute care (LTPAC) providers in Massachusetts in the adoption of interoperable EHR systems. The effective use of EHRs helps improve the quality and efficiency of health care. MeHI's program assisted BH and LTPAC providers in the procurement and implementation of interoperable EHRs and in the effective use of these technologies. This effort helps providers connect with one another using health IT, helping enhance patient care coordination, ease transitions between facilities, and advance healthcare in Massachusetts. The program also aligned with Massachusetts health reform efforts by positioning grantees to participate in ACOs and new models of care. The 38 grantees in the program represent over 200 facilities across the Commonwealth. Of the grantees, 84% met all of the program's milestones, having adopted and implemented interoperable EHRs; connected to a health information exchange (HIE); and successfully exchanged data over the HIE.

As part of the eHealth eQuality efforts, the Massachusetts Children's Behavioral Health Initiative (CBHI) and Child and Adolescent Needs and Strengths (CANS) grant program supported development of interfaces between Massachusetts BH providers' EHRs and CBHI virtual gateway to streamline submitting court-mandated CANS assessments using the Mass HIway. The interfaces allow providers to directly and automatically upload the required reports, eliminating redundant work and improving providers' ability to deliver necessary care to patients. During fiscal year 2018, the four EHR vendor grantees successfully implemented CBHI interfaces for three unaffiliated BH provider organizations each, helping these twelve organizations to submit, on average, 2,638 CANS assessments per month.

MeHI's **Connected Communities Program** worked to catalyze collaboration and advance the adoption and use of health IT to improve patient care and reduce healthcare costs. The Connected Communities program launched with MeHI collaborating with a diverse set of community stakeholders to inform the development of a statewide eHealth Plan intended to drive toward a more connected healthcare ecosystem in the Commonwealth. MeHI funded and worked with the eight Connected Communities grantees and their 78 project partners toward achieving their grant funded use cases. During fiscal year 2018, the Connected Communities grantees completed projects that contributed to improved outcomes among their healthcare communities, including a reduction in the average length of patient stay at a skilled nursing facility, a reduction in hospital readmission rates, an increase in clinical information available to a specialist before providing care to a referred patient, and a dramatic increase in the amount of secure electronic patient information that was shared among community providers.

Massachusetts Broadband Institute

The MBI was created as a division within MassTech in 2008. The MBI makes strategic and targeted public investments with the goal of expanding broadband access within unserved and underserved communities in Massachusetts.

In August 2014, \$50 million of capital bond funding was authorized by the Commonwealth for MBI to develop last mile solutions designed to bring broadband from centralized hubs to individual end users ("Last Mile"). During fiscal year 2018 a new \$45 million bond authorization by the Commonwealth was approved. Of this amount, \$32 million was authorized to ensure that all Last Mile towns will have a funded solution and that unserved towns receiving a grant from the Executive Office of Housing and Economic Development (EOHED) will have access to a contingency fund for possible make ready cost overages. The remaining \$13 million was authorized for MBI to have sufficient bond funds to complete the Last Mile program over the coming years and for future capital investment in its middle mile broadband network, MassBroadband 123.

Massachusetts Technology Park Corporation

(A Component Unit of the Commonwealth of Massachusetts)

Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2018 and 2017

Massachusetts Broadband Institute...continued

During fiscal year 2018, MBI continued to identify solutions for the remaining unserved towns by issuing a Notice of Funding called the Last Mile Flexible Grant Program. This resulted in a variety of responses and potential solutions to serve up to 17 towns. The towns were presented with their proposed solutions. One town has selected their preferred option and the others are still evaluating their options. Charter and Comcast are working on the build out of eighteen towns. Comcast expects to complete the build out of 9 partially served towns in early fiscal year 2019 and has started on pre-construction activities in one additional town. Charter expects to complete the build out of three underserved towns in early fiscal year 2019 and they are also working with five additional unserved towns on pre-construction activities.

The Last Mile Infrastructure Grant Program, launched by EOHED in April 2017, was modeled after their existing MassWorks grant program and was designed to provide funding for eligible unserved towns which will develop and build municipally-owned broadband networks. The program empowers communities to use these grants to fund design and engineering, and construction services directly, as they would other local infrastructure projects. The EOHED is administering the Last Mile Infrastructure Grant Program with up to \$20 million in MBI's bond funds as approved by the MBI Board of Directors. To date, EOHED has awarded grants to 22 towns totaling approximately \$19.5 million.

The *MassBroadband 123* network, which has been fully operational since early 2014, created a robust 'middle mile' fiber-optic network that stretches over 1,200 miles and directly connects approximately 1,100 key community facilities in over 120 communities. *MassBroadband 123* provides these communities with the ability to enhance education, drive healthcare innovation, and strengthen public safety through the direct connection to this 21st Century fiber-optic network. The *MassBroadband 123* network also creates an essential foundation to connect homes and businesses currently unserved by broadband, the so-called Last Mile of connectivity highlighted above.

The operator of the *MassBroadband 123* network, KCST, Inc., formerly Axia NGNetworks, USA, Inc. ("KCST"), filed for chapter 11 bankruptcy on March 22, 2017 with the U.S. Bankruptcy Court, District of Massachusetts, Case No. 17-40501. KCST continues to operate the *MassBroadband 123* network under contract with MassTech and has obtained a loan from its parent company, Axia Net Media Corporation ("Axia"), to fund certain network related costs. A consolidated arbitration between Axia NetMedia, KCST and MassTech was commenced in February of 2018 and a final award was made on November 8th by the American Arbitration Association ("KCST-Axia Arbitration Award") and has been accrued in the Statement of Net Position. Additional discussion of the legal proceedings involving KCST and Axia is provided in Footnote 10.

Campus Operations

MassTech owns, manages, and develops its Westborough, Massachusetts headquarters as the Massachusetts Technology Park Corporation. The use of the 36-acre campus reflects MassTech's mission to promote partnerships among industrial, educational, and governmental sectors.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to MassTech's basic financial statements, which have three components: (1) government-wide financial statements, (2) fund-level financial statements, and (3) notes to the financial statements.

The basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government entities. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Massachusetts Technology Park Corporation

(A Component Unit of the Commonwealth of Massachusetts)

Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2018 and 2017

Overview of the Financial Statements...continued

The financial statement presentation includes both government-wide and fund-level financial statements. The government-wide financial statements present both the governmental and business-type activities of MassTech on the full accrual basis of accounting. The fund-level statements include separate statements for (i) the governmental activities, which are supported by state appropriations and federal funding and (ii) the business-type activities, which rely on fees and charges for support. The governmental fund-level financial statements are reported on the modified accrual basis of accounting. A reconciliation of the governmental fund financial statements to the government-wide financial statements is provided in the fund-level statements in the basic financial statement section of the financial statements. All activities, both governmental and business-type, are performed as part of carrying out MassTech's essential governmental function.

Financial Analysis

The statement of net position is a government-wide statement that presents information on all of MassTech's assets, liabilities, plus deferred inflows of resources with the difference between the two reported as net position. Increases or decreases in net position serve as one indicator of MassTech's financial condition. On the following page is a summary of the statement of net position for fiscal years 2018 and 2017.

Massachusetts Technology Park Corporation (A Component Unit of the Commonwealth of Massachusetts)

Management's Discussion and Analysis (Unaudited)
Summary of Statement of Net Position
June 30, 2018 and 2017

	2018			2017		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
ASSETS						
Noncapital assets	\$ 40,352,851	\$ 13,713,131	\$ 54,065,982	\$ 41,301,478	\$ 16,174,721	\$ 57,476,199
Capital assets (net of accumulated depreciation)	58,835,579	5,602,903	64,438,482	65,136,137	6,193,219	71,329,356
Total assets	99,188,430	19,316,034	118,504,464	106,437,615	22,367,940	128,805,555
LIABILITIES						
Long-term liabilities outstanding	4,617,653	-	4,617,653	4,756,913	-	4,756,913
Other liabilities	21,229,695	479,447	21,709,142	9,714,442	128,270	9,842,712
Total liabilities	25,847,348	479,447	26,326,795	14,471,355	128,270	14,599,625
NET POSITION						
Net investment in capital assets	\$ 58,835,579	\$ 5,602,903	\$ 64,438,482	\$ 65,136,137	\$ 6,193,219	\$ 71,329,356
Restricted for:						
Massachusetts e-Health Institute	11,517,285	-	11,517,285	15,958,263	-	15,958,263
Innovation Institute	5,355,478	-	5,355,478	4,431,549	-	4,431,549
Massachusetts Broadband Institute	1,999,133	-	1,999,133	1,779,630	-	1,779,630
Economic Development	-	-	-	-	-	-
Campus Development/other corporate purposes	-	2,601,538	2,601,538	-	2,601,538	2,601,538
Unrestricted	(4,366,393)	10,632,146	6,265,753	4,660,681	13,444,913	18,105,594
Total net position	\$ 73,341,082	\$ 18,836,587	\$ 92,177,669	\$ 91,966,260	\$ 22,239,670	\$ 114,205,930

Massachusetts Technology Park Corporation

(A Component Unit of the Commonwealth of Massachusetts)

Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2018 and 2017

Assets

MassTech's total assets were approximately \$122.9 million as of June 30, 2018, a decrease of approximately \$5.9 million from the prior year.

MassTech's investment in capital assets for its governmental and business-type activities as of June 30, 2018 amounts to approximately \$64.4 million net of depreciation. The investment in capital assets includes buildings, improvements, furniture, equipment, and broadband infrastructure. The decrease in investment in capital assets for the current fiscal year was approximately \$6.9 million primarily attributable to depreciation of the MassBroadband 123 network. Refer to Note 3 of the financial statements for more detailed information about capital assets.

Liabilities and Deferred Inflows of Resources

Liabilities were approximately \$30.7 million as of June 30, 2018, an increase of approximately \$16.1 million from the prior year. Of this change, approximately \$0.4 million relates to an increase in accrued expenses and accounts payable in the Innovation Institute primarily for research and development (R&D) match and other financial assistance activities. Approximately \$10.0 million relates to an increase in accrued expenses and accounts payable in MBI, primarily related to the accrual of \$8.2 million for the KCST-Axia Arbitration Award, as well as \$1.8 million of MBI Last Mile grants. Unavailable revenue for MBI also increased by approximately \$1.3 million, also related to MBI Last Mile grants that have not yet been expended. The remaining \$4.6 million increase is related to funds due from Proprietary Fund to cover a portion of the KCST-Axia Arbitration Award.

MassTech has no long-term debt outstanding.

Net Position

Between fiscal years 2017 and 2018, the net position has decreased by approximately \$22.0 million to approximately \$92.2 million.

Net investment in capital assets represents approximately 69.9% of net position as of June 30, 2018. Of the remaining approximately 30.1% of MassTech's net position at June 30, 2018, approximately 5.8% is attributable to the Innovation Institute, approximately 12.5% to MEHI, approximately 2.2% to MBI, approximately 2.8% to Campus Operations and other corporate purposes and the remaining approximately 6.8% is classified as unrestricted.

The governmental activities net position is either restricted as to the purpose to which it can be used, or is invested in capital assets. Consequently, governmental activities show a deficit of approximately (\$4.7 million) for unrestricted net position compared to prior year, primarily as a result of funds utilized for a portion of the KCST-Axia Arbitration Award, certain Mass Broadband Institute related expenses and a portion of the Research & Communications & Grant Administration services expenses.

Approximately \$58.8 million is invested in capital assets. Of this amount, \$58.6 million is related to the MassBroadband 123 network.

Restricted net position of Massachusetts e-Health Institute decreased by approximately \$4.4 million as a result of the net impact of approximately \$2.6 million in revenues, primarily from the Commonwealth, offset by operating expenses, financial assistance expenses, transfers and capital expenditures of approximately \$7.0 million.

Massachusetts Technology Park Corporation

(A Component Unit of the Commonwealth of Massachusetts)

Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2018 and 2017

Net Position...continued

Restricted net position of the Innovation Institute increased by approximately \$0.9 million as a result of the net impact of approximately \$10.2 million in revenues, primarily from the Commonwealth, offset by operating expenses, financial assistance expenses, transfers and capital expenditures of approximately \$9.3 million.

Restricted net position of the MBI increased by approximately \$0.2 million as a result of the net impact of approximately \$6.1 million in revenues, primarily from the Commonwealth, offset by operating and financial assistance expenses of approximately \$5.9 million.

The net position of the business-type activities was approximately \$18.8 million as of June 30, 2018, a decrease of approximately \$3.4 million from the prior year end. The primary function of the business-type activities is the Campus Operations, the fund that relates to the development and maintenance of the 36-acre campus in Westborough, Massachusetts. Of the total net position, approximately \$5.6 million was invested in capital assets, approximately \$2.6 million was restricted for future investment in the campus and its buildings or other related purposes, and the remaining balance of approximately \$10.6 million was unrestricted.

The summary statement of net position shows how the fiscal year activities impacted the net position. The following page contains the summary of changes in the statement of net position for the fiscal years 2018 and 2017:

Massachusetts Technology Park Corporation

(A Component Unit of the Commonwealth of Massachusetts)

Management's Discussion and Analysis (Unaudited)
 Summary of Statement of Net Position
 Years Ended June 30, 2018 and 2017

	2018			2017		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Revenue:						
State funding	\$ 16,999,406	\$ -	\$ 16,999,406	\$ 18,174,258	\$ -	\$ 18,174,258
Outsourced corporate services	106,344	-	106,344	90,000	-	90,000
Other revenue	1,434,470	-	1,434,470	1,379,724	-	1,379,724
Campus operations	-	853,542	853,542	-	844,574	844,574
Total revenue	18,540,220	853,542	19,393,762	19,643,982	844,574	20,488,556
Expenses:						
Innovation Institute	8,948,760	-	8,948,760	8,516,739	-	8,516,739
Massachusetts e-Health Institute	6,826,446	-	6,826,446	7,934,245	-	7,934,245
Massachusetts Broadband Institute	24,430,248	-	24,430,248	14,119,084	-	14,119,084
Economic Development	934,537	-	934,537	119,674	-	119,674
Outsourced corporate services	103,318	-	103,318	90,000	-	90,000
Campus operations	-	914,218	914,218	-	1,065,879	1,065,879
Total expenses	41,243,309	914,218	42,157,527	30,779,742	1,065,879	31,845,621
Net position	(22,703,089)	(60,676)	(22,763,765)	(11,135,760)	(221,305)	(11,357,065)
Transfers	3,586,323	(3,586,323)	-	-	-	-
Investment earnings	491,588	243,916	735,504	356,824	136,037	492,861
Change in net position	(18,625,178)	(3,403,083)	(22,028,261)	(10,778,936)	(85,268)	(10,864,204)
Net position - beginning of year	91,966,260	22,239,670	114,205,930	102,745,196	22,324,938	125,070,134
Net position - end of year	\$ 73,341,082	\$ 18,836,587	\$ 92,177,669	\$ 91,966,260	\$ 22,239,670	\$ 114,205,930

Massachusetts Technology Park Corporation

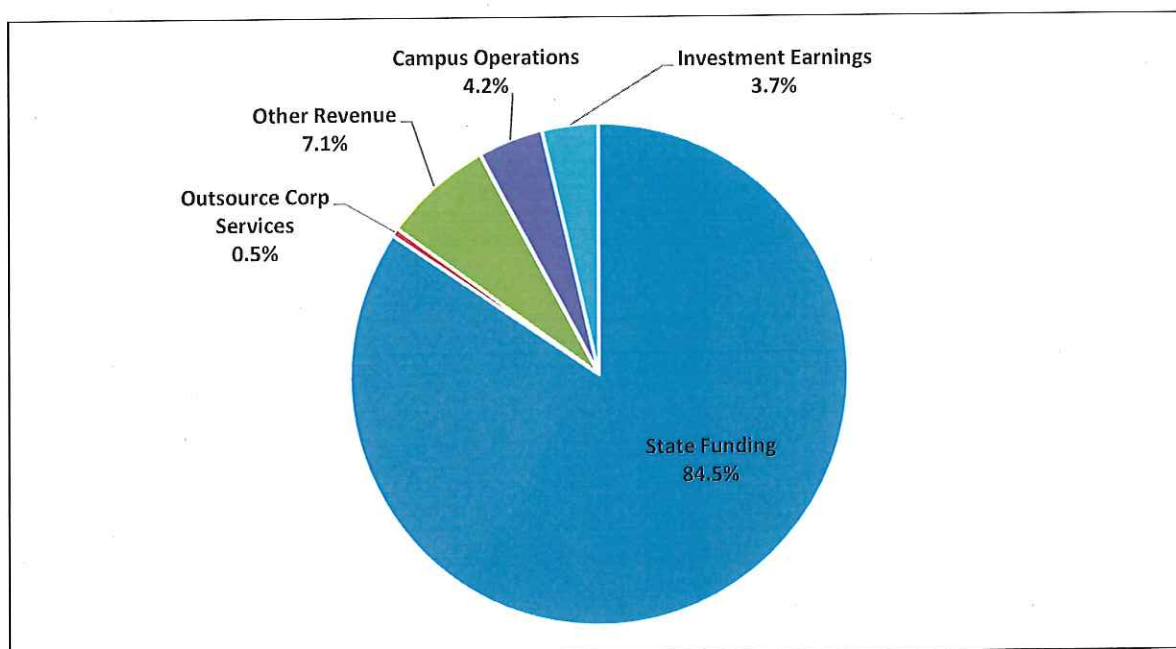
(A Component Unit of the Commonwealth of Massachusetts)

Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2018 and 2017

Total governmental and business-type revenues, including investment earnings, were approximately \$20.1 million for the fiscal year ended on June 30, 2018, which was a decrease of approximately \$0.9 million from the prior year. The change in the revenue results from a decrease of approximately \$1.2 million in state revenue and an increase in investment earnings and other revenue of \$0.3 million. The state funding decreased primarily due to decreased funding for MeHI (fiscal year 2017 was the last year of Chapter 224 funding), decreased reimbursement funding for the MBI Last Mile Program offset by increased appropriations for the Innovation Institute, MassCAN and the MassTech Intern Partnership and Massachusetts Innovation Mentoring Initiative. Total expenses increased by approximately \$10.3 million. MeHI's expenses decreased by approximately \$1.1 million, primarily as a result of a decrease in shared services. MBI expenses increased by approximately \$10.3 million, primarily as a result of the accrual of the KCST-Axia Arbitration Award and Last Mile grant expenses. The Innovation Institute's expenses increased by approximately \$0.4 million, primarily as a result of increased financial assistance expenses for the Scientific and Technology Research and Development Matching Grants. The Economic Development Fund's expenses increased by approximately \$0.8 million, primarily due to covering certain MBI operating expenses and related costs, as well as a portion of Research & Communications and Grant Administration expenses. The Proprietary Fund's expenses decreased by approximately \$0.2 million, primarily due to a decrease in personnel and related allocations.

Revenue

The total revenues of MassTech for the fiscal year ended June 30, 2018, were \$20.1 million, including investment earnings. Total revenues break down by source as follows:



Massachusetts Technology Park Corporation

(A Component Unit of the Commonwealth of Massachusetts)

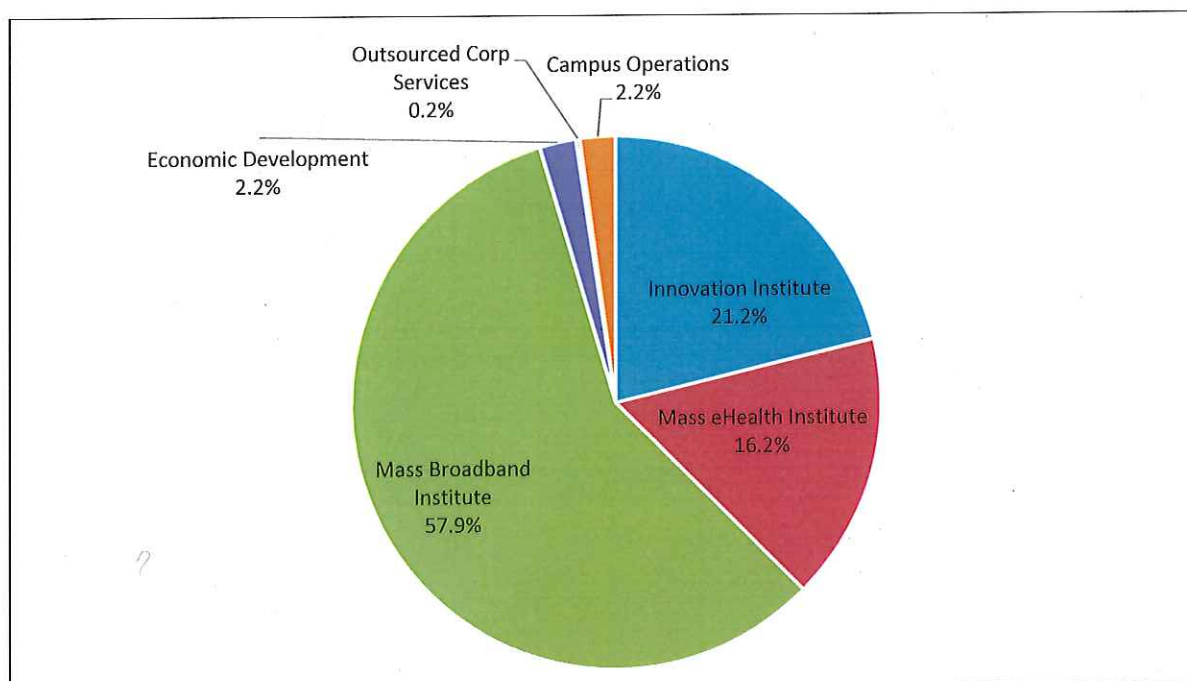
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2018 and 2017

Revenue...continued

MassTech's primary source of programmatic revenue during this fiscal year was state funding. The state funding included bond funds for MBI and the Innovation Institute's R&D Matching Grant Fund, the Innovation Institute appropriations, and various State Agency service contracts. Other sources of revenue for fiscal year 2018 include fees from the Massachusetts Life Sciences Center for outsourced corporate services, network operator payments, rentals of campus buildings, and investment earnings.

Expenses

The expenses for fiscal year 2018 were approximately \$42.2 million, which in addition to operating costs includes approximately \$13.2 million of financial assistance expenses, \$8.2 million of MBI Network Operations expenses and \$6.9 million of depreciation expense, most of which is related to the MassBroadband 123 network. Financial assistance expenses are those paid out to award recipients or third-parties for projects which directly benefit the stakeholders in the Commonwealth. The financial assistance expenses in fiscal year 2018 relate to awards made in prior fiscal years as well as the current fiscal year. The breakdown of expense by division, based upon the fund-level financial statements is as follows:



Requests for Information

This report is intended to provide an overview of MassTech's financial condition. Questions concerning any of the information in this report or request for additional information should be addressed to the Massachusetts Technology Park Corporation, 75 North Drive, Westborough, MA 01581 and to the attention of the Chief Financial Officer.

Massachusetts Technology Park Corporation
(A Component Unit of the Commonwealth of Massachusetts)

Statement of Net Position

June 30, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ -	\$ 11,096,518	\$ 11,096,518
Restricted cash and cash equivalents	17,625,279	2,601,538	20,226,817
Accounts receivable:			
Due from other funds	338,453	-	338,453
Other receivables	10,233,907	15,075	10,248,982
Prepaid expense and other assets	452,737	-	452,737
Cash committed for program awards:			
Cash and cash equivalents	11,702,475	-	11,702,475
Total noncapital assets	40,352,851	13,713,131	54,065,982
Capital assets (net of accumulated depreciation):			
Buildings	52,143	5,202,997	5,255,140
Improvements	56,298	381,085	437,383
Equipment	27,237	411	27,648
Furniture and fixtures	127,605	18,410	146,015
Fiber network	58,572,296	-	58,572,296
Total capital assets	58,835,579	5,602,903	64,438,482
Total assets	99,188,430	19,316,034	118,504,464
LIABILITIES			
Accounts payable	1,256,250	-	1,256,250
Accrued expenses	22,293,905	-	22,293,905
Funding received in advance	2,225,922	-	2,225,922
Due to other funds	-	338,453	338,453
Other liabilities	71,271	140,994	212,265
Total liabilities	25,847,348	479,447	26,326,795
NET POSITION			
Net investment in capital assets	58,835,579	5,602,903	64,438,482
Restricted for:			
Massachusetts e-Health Institute	11,517,285	-	11,517,285
Innovation Institute	5,355,478	-	5,355,478
Massachusetts Broadband Institute	1,999,133	-	1,999,133
Campus development/other corporate purposes	-	2,601,538	2,601,538
Unrestricted	(4,366,393)	10,632,146	6,265,753
Total net position	\$ 73,341,082	\$ 18,836,587	\$ 92,177,669

See notes to financial statements.

Massachusetts Technology Park Corporation (A Component Unit of the Commonwealth of Massachusetts)

Statement of Activities
Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenue Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position		
				Governmental Activities	Business-Type Activities	Total
Governmental activities:						
Innovation Institute	\$ 8,948,760	\$ 673,966	\$ 9,370,489	\$ 1,095,695	\$ -	\$ 1,095,695
Massachusetts e-Health Institute	6,826,446	2,358,217	-	(4,468,229)	-	(4,468,229)
Massachusetts Broadband Institute	24,430,248	1,311,734	4,719,470	(18,399,044)	-	(18,399,044)
Economic development	934,537	-	-	(934,537)	-	(934,537)
Outsourced corporate services	103,318	106,344	-	3,026	-	3,026
Total governmental activities	41,243,309	4,450,261	14,089,959	(22,703,089)	-	(22,703,089)
Business-type activities:						
Campus operations	914,218	853,542	-	-	(60,676)	(60,676)
Total business-type activities	914,218	853,542	-	-	(60,676)	(60,676)
Total	\$ 42,157,527	\$ 5,303,803	\$ 14,089,959	(22,703,089)	(60,676)	(22,763,765)
General Revenues:						
Investment earnings				491,588	243,916	735,504
Transfers				3,586,323	(3,586,323)	-
Change in net position				(18,625,178)	(3,403,083)	(22,028,261)
Net position - beginning of year				91,966,260	22,239,670	114,205,930
Net position - end of year				\$ 73,341,082	\$ 18,836,587	\$ 92,177,669

See notes to financial statements.

Massachusetts Technology Park Corporation
 (A Component Unit of the Commonwealth of Massachusetts)

Balance Sheet - Governmental Fund

June 30, 2018

	General Fund
ASSETS	
Restricted cash and cash equivalents	\$ 17,625,279
Due from other funds	338,453
Other receivables	10,233,907
Prepaid expenses and other assets	452,737
Cash committed for program awards:	
Cash and cash equivalents	11,702,475
Total assets	\$ 40,352,851
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 1,256,250
Accrued expenses	9,475,181
Funding received in advance	2,225,923
Other current liabilities	61,004
Total liabilities	13,018,358
Deferred inflows of resources:	
Unavailable revenue	4,983,705
Total deferred Inflows of resources	4,983,705
Fund balance:	
Non-Spendable	452,737
Committed	11,702,475
Restricted	10,195,576
Total fund balance	22,350,788
Total liabilities, deferred Inflows of resources, and fund balance	\$ 40,352,851
Total fund balance of governmental fund	\$ 22,350,788
Amounts reported for governmental funds above and those reported for governmental activities in the statement of net position are different because:	
Some liabilities are not due and payable in the current period and therefore are not reported in the fund statements	(12,828,990)
Unavailable revenues met the criteria for revenue recognition in the statement of activities	4,983,705
Capital assets used in governmental activities are not financial resources and, therefore, not reported in funds (net of accumulated depreciation)	58,835,579
Net position of governmental activities	\$ 73,341,082

See notes to financial statements.

Massachusetts Technology Park Corporation
 (A Component Unit of the Commonwealth of Massachusetts)

Statement of Revenue, Expenditures and Changes in Fund Balance - Governmental Fund
 Year Ended June 30, 2018

	General Fund
Revenue:	
State funding	\$ 13,638,102
Investment earnings	491,588
Outsourced corporate services	106,344
Other revenue	1,532,811
Total revenues	<u>15,768,845</u>
Expenditures:	
Innovation Institute	8,945,075
Massachusetts e-Health Institute	6,797,504
Massachusetts Broadband Institute	10,091,769
Economic development	933,006
Outsourced corporate services	103,318
Total expenditures	<u>26,870,672</u>
Other financing sources:	
Transfers in	<u>3,586,323</u>
Net change in fund balance	(7,515,504)
Fund balance - beginning of year, as restated	<u>29,866,292</u>
Fund balance - end of year	<u>\$ 22,350,788</u>
Net change in fund balance - general fund	\$ (7,515,504)
Amounts reported for governmental funds above and those reported for governmental activities in the statement of activities are different because:	
Unavailable revenues met the criteria for revenue recognition in the statement of activities	4,983,705
Some revenues in the fund statements were recognized in the statement of activities in a prior year	(1,720,744)
Some programmatic expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:	(8,072,077)
Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of capital is allocated over their estimated useful lives as depreciation expense. In the current period these amounts are:	<u>(6,300,558)</u>
Change in net position of governmental activities	<u>\$ (18,625,178)</u>

See notes to financial statements.

Massachusetts Technology Park Corporation
 (A Component Unit of the Commonwealth of Massachusetts)

Statement of Net Position - Proprietary Fund
 June 30, 2018

	<u>Campus Operations</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 11,096,518
Restricted cash and cash equivalents	2,601,538
Prepaid expenses and other current assets	<u>15,075</u>
Total current assets	<u>13,713,131</u>
Capital assets:	
Buildings	20,383,318
Improvements	1,321,849
Equipment	87,191
Furniture and fixtures	<u>174,670</u>
Total capital assets	21,967,028
Less - accumulated depreciation	<u>(16,364,125)</u>
Total capital assets - net	<u>5,602,903</u>
Total assets	<u>\$ 19,316,034</u>
LIABILITIES	
Current liabilities:	
Due to other Funds	\$ 338,453
Other liabilities	<u>126,844</u>
Total current liabilities	<u>465,297</u>
Noncurrent liabilities:	
Other liabilities	<u>14,150</u>
Total noncurrent liabilities	<u>14,150</u>
Total liabilities	<u>479,447</u>
NET POSITION	
Net investment in capital assets	5,602,903
Restricted for campus development/other purposes	2,601,538
Unrestricted	<u>10,632,146</u>
Total net position	<u>18,836,587</u>
Total liabilities and net position	<u>\$ 19,316,034</u>

See notes to financial statements.

Massachusetts Technology Park Corporation
 (A Component Unit of the Commonwealth of Massachusetts)

Statement of Revenue, Expenses and Changes in Net Position - Proprietary Fund
 Year Ended June 30, 2018

	<u>Campus Operations</u>
Operating revenue:	
Operating lease revenue	\$ 704,454
Reimbursement from other funds	149,088
Total operating revenue	<u>853,542</u>
Operating expenses:	
Personnel and support services	296,696
Depreciation	617,522
Total expenses	<u>914,218</u>
Operating loss	(60,676)
Nonoperating revenue - interest income	243,916
Other financing sources:	
Transfers out	<u>(3,586,323)</u>
Change in net position	(3,403,083)
Total net position - beginning of year	<u>22,239,670</u>
Total net position - end of year	<u><u>\$ 18,836,587</u></u>

See notes to financial statements.

Massachusetts Technology Park Corporation
(A Component Unit of the Commonwealth of Massachusetts)

Statement of Cash Flows - Proprietary Fund
Year Ended June 30, 2018

	Campus Operations
Cash flows from operating activities:	
Receipts from leases and rentals	\$ 718,372
Reimbursement from other funds	149,088
Payroll and vendor payments	<u>(297,014)</u>
Net cash provided by operating activities	570,446
Cash flows used in noncapital financing activities - interfund activities	(3,134,009)
Cash flows used in capital and related financing activities - capital purchases	(27,206)
Cash flows from investing activities - interest received	243,916
Net decrease in cash and cash equivalents	<u>(2,346,853)</u>
Cash and cash equivalents-beginning of year	<u>16,044,909</u>
Cash and cash equivalents-end of year	<u><u>\$ 13,698,056</u></u>
Displayed as:	
Cash and cash equivalents	\$ 11,096,518
Restricted cash and cash equivalents	<u>2,601,538</u>
	<u><u>\$ 13,698,056</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating loss	\$ (60,676)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	617,522
Changes in assets and liabilities:	
Accounts receivables	14,200
Accrued expenses	(75)
Other liabilities	<u>(525)</u>
Net cash provided by operating activities	<u><u>\$ 570,446</u></u>

See notes to financial statements.

Massachusetts Technology Park Corporation

(A Component Unit of the Commonwealth of Massachusetts)

Notes to Financial Statements
Year Ended June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Massachusetts Technology Park Corporation ("MassTech" or the "Organization"), which does business as the Massachusetts Technology Collaborative, have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government entities. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Organization's significant accounting policies are described below.

Reporting Entity

The Organization is a public instrumentality of the Commonwealth of Massachusetts (the "Commonwealth") created pursuant to Chapter 40J of the Massachusetts General Laws ("MGL"). The public purpose of MassTech is to advance the growth and development of the technology sector of the Commonwealth's economy.

Mass Tech is responsible for the oversight of:

- (i) The Innovation Institute at MassTech (the "Innovation Institute"), a technology and innovation economic development effort, identifying key opportunities for economic growth and supporting industry-led growth initiatives within the technology sector of the economy;
- (ii) The Massachusetts e-Health Institute ("MeHI"), established to advance the adoption and dissemination of health technologies across the Commonwealth;
- (iii) The Massachusetts Broadband Institute ("MBI"), established to extend affordable broadband access to unserved and underserved communities in Massachusetts;
- (iv) A 36-acre campus and its related operations.

MassTech is governed by a board of directors (the "Board") comprised of 23 members, including 20 individuals appointed by the Governor and three state officials that serve in an ex officio capacity, including the Secretary of Administration and Finance, the Secretary of Housing and Economic Development, and the Commissioner of Higher Education.

In accordance with the requirements of GASB Statement No. 14, *The Financial Reporting Entity*, GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units - an Amendment of GASB Statement 14*, and GASB Statement No. 61, *the Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, the financial statements must present the Organization and its component units. The Organization has no component units. The Organization, however, is considered a component unit of the Commonwealth and, accordingly, its financial statements are incorporated into the financial statements of the Commonwealth.

Massachusetts Technology Park Corporation

(A Component Unit of the Commonwealth of Massachusetts)

Notes to Financial Statements
Year Ended June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

Government-Wide and Fund-Level Financial Statements

The financial statements include both government-wide and fund-level reporting. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Organization. In the government-wide reporting model, governmental activities (those supported by state funding, federal grants, and other program generated sources) are reported separately from business-type activities which rely on fees and charges for support. The statement of activities demonstrates the degree to which the expenses of a given function are offset by program revenue. Expenses are those that are clearly identifiable with a specific function. Program revenue includes (1) state appropriations, bond funding, and other funding that support specific programmatic functions of the Organization; (2) network operator fees; (3) lease and rental revenue; and (4) event sponsorship and other revenues. The effects of interfund activity has been removed from these statements.

The fund-level statements are separate financial statements provided for governmental funds and proprietary funds. In the fund-level reporting model, MassTech reports its financial position and results of operations in funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a self-balancing set of accounts that comprise its assets, liabilities, fund balance or net position, revenue, and expenditures/expenses. Transactions between funds, if any, have not been eliminated.

The Organization reports the following major governmental fund:

- The General Fund is the Organization's primary operating fund. It accounts for all financial resources of the Organization used in its governmental activities. Specifically, the General Fund is used to account for the Innovation Institute, MBI, and MeHI.

The Organization reports the following major proprietary fund:

- The Campus Operations Fund accounts for the activities of the Organization's operations related to the Massachusetts Technology Park campus.

Measurement Focus, Basis of Accounting, and Financial Reporting Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as is the proprietary fund in the fund-perspective financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. State appropriations and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Massachusetts Technology Park Corporation

(A Component Unit of the Commonwealth of Massachusetts)

Notes to Financial Statements
Year Ended June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

Measurement Focus, Basis of Accounting, and Financial Reporting Presentation...continued

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as they become susceptible to accrual: generally, when they are both measurable and available. Revenue is considered available when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period, generally within 60 days of the fiscal year end. Significant revenues susceptible to accrual include state appropriation and bond revenue. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgements, are recorded only when payment is due, or when the Organization has made a decision to fund those obligations with current available resources.

The proprietary fund distinguishes between operating revenue and expenses and non-operating items. Operating revenue and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations. The principal operating revenue of the campus operations is rental income. Operating expenses include the cost of operating and maintaining the campus and depreciation. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

Budgets and Appropriations

Annual budgets are adopted on a basis consistent with GAAP. MassTech's annual budgets are initially developed through an internal process that includes the submission of operational and programmatic projections from senior managers. Internal budget projections are then reviewed and modified as appropriate by MassTech's executive management. The annual budget is presented to the Board-level Finance and Audit Committee (the "Committee") and other appropriate programmatic committees for further review, comment, and modifications. The Committee then presents the annual operating budget to MassTech's Executive Committee of the Board for final approval and adoption. During the year, MassTech's executive management meets with the Committee to review actual-to-budget variances and identify any adjustments that may be required. The budget approved by the Board is used for the purposes of management accountability. The budget passed by the Board is not, however, considered a legally adopted budget and, therefore, is not presented as required supplemental information to the financial statements.

Cash and Cash Equivalents

Cash and cash equivalents consist substantially of interest-bearing deposits with financial institutions and investments with maturities of three months or less when acquired. MassTech maintains funds that are restricted as to use either by contractual agreement or State funding intent.

Cash and Cash Equivalents - Committed for Program Awards

Such amounts represent cash and cash equivalents held by MassTech to be expended for certain programmatic purposes based upon specific awards approved by the Chief Executive Officer, the Board, and executive committee.

Massachusetts Technology Park Corporation

(A Component Unit of the Commonwealth of Massachusetts)

Notes to Financial Statements
Year Ended June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

Investments

MassTech's investments are reported at fair value using quoted market price or the best available estimate thereof. Fair value is defined by GASB Statement No. 72, *Fair Value Measurement and Application*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. MassTech categorizes its fair value measurements within the fair value GAAP hierarchy.

The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All investment income, including changes in the fair value of investments, is reported as revenue in the accompanying statements of revenues, expenses and changes in net position. None of MassTech's investments in 2018 and 2017 qualified to be reported under this hierarchy in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, but instead qualify as cash equivalents under GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, as MassTech participates in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost as described in Note 2.

Accounts Receivable

Accounts Receivable represents the amounts owed to MassTech from the Commonwealth of Massachusetts and from other sources of income and reimbursements. Balances that management has deemed uncertain with regard to collectability have been reserved. No reserves were deemed necessary at June 30, 2018.

Capital Assets

Capital assets in the proprietary fund and government-wide governmental activities with a value of greater than \$5,000 at the date acquired are recorded at cost, or in instances of donation, at fair value at the date of donation. The estimated useful life of the asset categories are as follows:

Buildings	40 years
Improvements	5 - 7 years
Equipment	3 years
Furniture and fixtures	7 years
Fiber network - outside plant	20 years
Conduit	20 years
Indefeasible rights of use	25 years
Point of interconnections	10 years
Other network equipment	5 years

Depreciation is recorded using the straight-line method over the estimated useful lives of the assets.

Massachusetts Technology Park Corporation

(A Component Unit of the Commonwealth of Massachusetts)

Notes to Financial Statements
Year Ended June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

Accounts Payable and Accrued Expenses

The Organization accrues expenses on a monthly basis based on current contracts and invoices. The Organization accrues amounts for compensated absences as earned up to certain limitations, which represent benefit amounts payable to employees upon termination of employment. Those amounts and claims and judgments are reported as accrued expenses in the statement of net position.

Deferred Inflows of Resources

In addition to liabilities, the governmental balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. MassTech reports its governmental fund unavailable revenues in this category. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position

- Net investment in capital assets - Net investment in capital assets represent net position consisting of capital assets, net of accumulated depreciation. At June 30, 2018, the government-wide statement of net position reports approximately \$64.4 million of net investments in capital assets.
- Restricted - Restricted net position represents net position that is not available as it's legally restricted by enabling legislation or by outside parties for use for a specific purpose. Specifically, the Organization's restricted net position is restricted for use in the Innovation Institute, MeHI, MBI, other legislatively approved mandates, and for other purposes related to the operations of the campus and for programmatic development. At June 30, 2018, the government-wide statement of net position reports approximately \$21.5 million of restricted net position.
- Unrestricted - Unrestricted net position represents net position that is not subject to legal restrictions imposed by enabling legislation or by outside parties for use for a specific purpose. Unrestricted net position may be designated for specific purposes by action of management or the Board or may otherwise be limited by contractual agreements with outside parties. As of June 30, 2018, the government-wide statement of net position reports approximately \$6.3 million of unrestricted net position.

Fund Balance

The governmental fund financial statements present fund balances based on classifications that are based primarily on the extent to which MassTech is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Non-spendable - This classification includes amounts not in a spendable form, or funds legally or contractually required to be maintained intact. MassTech has classified its prepaid expenses as non-spendable.

Massachusetts Technology Park Corporation

(A Component Unit of the Commonwealth of Massachusetts)

Notes to Financial Statements
Year Ended June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

Fund Balance...continued

- Committed - This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of MassTech's highest required level of decision-making authority. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- Restricted - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. MassTech has classified legislatively appropriated funds for MBI, MEHI, and Innovation Institute and related investment earnings as restricted. In addition, MassTech also classifies other funds from the Commonwealth or third parties that have specified purposes as restricted.

Net Position and Fund Flow Assumption

MassTech generally uses amounts committed for the intended purposes first. If restricted resources are available for use for a certain purpose, the Organization would use those restricted resources next, and then unrestricted resources as needed.

Income Taxes

MassTech has been determined to be a component unit of the Commonwealth. Accordingly, income earned by MassTech is not included within the definition of income as defined in Section 61 of the Internal Revenue Code. Therefore, MassTech is not required to file federal and state income tax returns.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Recently Issued Accounting Pronouncements

In November 2016 GASB issued GASB Statement No. 83, *Certain Asset Retirement Obligations*, which addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is permitted. Earlier application is encouraged. The adoption of this standard is not expected to have a significant impact on MassTech's financial statements.

Massachusetts Technology Park Corporation

(A Component Unit of the Commonwealth of Massachusetts)

Notes to Financial Statements
Year Ended June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

Recently Issued Accounting Pronouncements...continued

In June 2017, GASB issued GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The provisions of this standard are effective for reporting periods beginning after December 15, 2019. Early adoption is permitted. MassTech is currently evaluating the impact this pronouncement will have on the financial statements.

In June 2018, the GASB issued GASB No. 89-*Accounting for Interest Cost Incurred before the End of a Construction Period*. This objective of this standard is to establish accounting requirements for interest cost incurred before the end of a construction period. This standard is effective for financial statements for fiscal years beginning after December 15, 2019. Earlier application is encouraged. The requirements of this standard should be applied prospectively. MassTech is currently evaluating the impact this pronouncement will have on the financial statements.

2. CASH AND CASH EQUIVALENTS

The Board of MassTech is empowered under Chapter 40J of the MGL to invest corporate assets pending their programmatic use pursuant to the prudent investor rule under Massachusetts law, subject to the fiduciary standards contained in Chapter 32 of the MGL. During fiscal year 2018, these assets were fully allocated to short-term investments/money market accounts which qualify as cash equivalents.

Custodial Credit Risk - Deposits: Custodial credit risk for deposits exists when, in the event of a failure of a depository financial institution, MassTech's deposits may not be recovered. MassTech does not have a formal policy for custodial credit risk.

At June 30, 2018, bank deposits were \$1,521,217 which excludes the amount held in the Massachusetts Municipal Depository Trust ("MMDT" or the "Trust"). Of that amount \$250,000 was not exposed to custodial credit risk as uninsured and uncollateralized because it was insured by the FDIC. The remaining balance of \$1,271,217 was exposed to such risk.

The Organization invests some of its funds in the MMDT, an investment pool for political subdivisions of the Commonwealth designed as a legal means to invest temporarily available cash. The state treasurer serves as the trustee of MMDT, and has sole authority pertaining to rules, regulations, and operations of the Trust.

Massachusetts Technology Park Corporation

(A Component Unit of the Commonwealth of Massachusetts)

Notes to Financial Statements
Year Ended June 30, 2018

2. CASH AND CASH EQUIVALENTS...continued

Investment options the MMDT offers are a cash portfolio which offers participation in a diversified portfolio of high-quality money-market instruments that seek the highest possible level of current income consistent with preservation of capital and liquidity and Short-Term Bond Portfolio which offers participation in a diversified portfolio of investment-grade, short-term, fixed-income securities that seeks to generate performance exceeding the Barclays 1-5 Year Government/Credit Bond Index, presenting a fixed-income alternative with a longer time horizon than the cash portfolio. A participant's holdings in the Trust are not subject to creditors of the Commonwealth, nor will the Trust itself be affected by the financial difficulties of any participant. Amounts held at MMDT are uninsured and uncollateralized. MassTech's investment balance as of June 30, 2018 at MMDT was solely in the cash portfolio. The cash portfolio is not registered with the Securities and Exchange Commission as an investment company, but maintains a policy to operate in a manner as a qualifying external investment pool as defined by GASB.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, which amends Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, establishes accounting and financial reporting standards for state and local governments that participate in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost. At June 30, 2018 MassTech's deposits with MMDT totaled \$42,683,968. A copy of the financial statements of MMDT can be obtained from the Office of the State Treasurer, 1 Ashburton Place, Boston, MA 02110

The following summarizes the cash and cash equivalents of the MassTech and identifies certain types of investment risk as defined by GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, at June 30, 2018:

Cash balance	\$ 341,842
Massachusetts Municipal Depository Trust ("MMDT") – Cash Portfolio	<u>42,683,968</u>
	<u>\$ 43,025,810</u>

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. MassTech manages its exposure to interest rate risk by investing solely in cash portfolios within MMDT.

Credit Risk: Credit risk is the risk that the Organization's investments will be negatively impacted due to a default of their investments. MassTech manages its exposure to credit risk by investing solely in cash portfolios within MMDT.

Concentration of Credit Risk: Concentration of credit risk is assumed to arise when the amount of investments that the Organization has with any one issuer exceeds five percent of the total value of the investments. MassTech manages its exposure to the concentration of credit risk by investing solely in cash portfolios within MMDT.

Massachusetts Technology Park Corporation

(A Component Unit of the Commonwealth of Massachusetts)

Notes to Financial Statements
Year Ended June 30, 2018

3. CAPITAL ASSETS

Capital assets of MassTech at June 30, 2018 are summarized as follows:

	Governmental Activities	Business- Type Activities	Total
Buildings	\$ 91,803	\$ 20,383,318	\$ 20,475,121
Improvements	500,058	1,321,849	1,821,907
Equipment	780,541	87,191	867,732
Furniture and fixtures	503,634	174,670	678,304
Fiber network - outside plant	54,974,809	-	54,974,809
Conduit	6,150,120	-	6,150,120
Poles	177,568	-	177,568
Indefeasible right of use	4,243,317	-	4,243,317
Points of interconnection	13,278,406	-	13,278,406
Community anchor institutions	6,370,251	-	6,370,251
Other equipment	765,879	-	765,879
Spares MB123	1,073,725	-	1,073,725
	<u>88,910,111</u>	<u>21,967,028</u>	<u>110,877,139</u>
Less - accumulated depreciation:			
Buildings	(39,661)	(15,180,321)	(15,219,982)
Improvements	(443,761)	(940,764)	(1,384,525)
Equipment	(753,303)	(86,780)	(840,083)
Furniture and fixtures	(376,029)	(156,260)	(532,289)
Fiber network - outside plant	(12,664,630)	-	(12,664,630)
Conduit	(1,381,539)	-	(1,381,539)
Poles	(39,506)	-	(39,506)
Indefeasible right of use	(850,164)	-	(850,164)
Points of interconnection	(6,241,735)	-	(6,241,735)
Community anchor institutions	(5,659,346)	-	(5,659,346)
Other equipment	(765,879)	-	(765,879)
Spares MB123	(858,979)	-	(858,979)
	<u>(30,074,532)</u>	<u>(16,364,125)</u>	<u>(46,438,657)</u>
Capital assets - net	<u>\$ 58,835,579</u>	<u>\$ 5,602,903</u>	<u>\$ 64,438,482</u>

Total depreciation expense for the year ended June 30, 2018, was \$6,918,080. Of that amount, \$6,300,558 (comprising approximately \$37,977, \$128,235, and \$6,134,346 in the Innovation Institute, MeHI, and MBI, respectively) is reported in the governmental activities and \$617,522 is reported in the business-type activities.

Massachusetts Technology Park Corporation

(A Component Unit of the Commonwealth of Massachusetts)

Notes to Financial Statements
Year Ended June 30, 2018

3. CAPITAL ASSETS...continued

<u>Governmental Activities</u>	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Transfers/ Disposals/ Adjustments</u>	<u>Balance June 30, 2018</u>
Buildings	\$ 91,803	\$ -	\$ -	\$ 91,803
Improvements	500,058	-	-	500,058
Equipment	780,541	-	-	780,541
Furniture and fixtures	504,175	36,867	(37,408)	503,634
Fiber network - outside plant	54,974,809	-	-	54,974,809
Conduit	6,150,120	-	-	6,150,120
Poles	177,568	-	-	177,568
Indefeasible rights of use	4,243,317	-	-	4,243,317
Points of interconnection	13,278,406	-	-	13,278,406
Community anchor institution	6,370,251	-	-	6,370,251
Other equipment	765,879	-	-	765,879
Spares MB123	1,073,725	-	-	1,073,725
Construction-in-process	-	-	-	-
	<u>88,910,652</u>	<u>36,867</u>	<u>(37,408)</u>	<u>88,910,111</u>
Less - accumulated depreciation:				
Building	(37,007)	(2,654)	-	(39,661)
Improvement	(404,332)	(39,429)	-	(443,761)
Equipment	(660,255)	(93,048)	-	(753,303)
Furniture and fixtures	(341,987)	(67,957)	33,915	(376,029)
Fiber network - outside plant	(9,915,438)	(2,749,192)	-	(12,664,630)
Conduit	(1,074,032)	(307,507)	-	(1,381,539)
Poles	(30,627)	(8,879)	-	(39,506)
Indefeasible rights of use	(680,432)	(169,732)	-	(850,164)
Points of interconnection	(4,913,596)	(1,328,139)	-	(6,241,735)
Community anchor institution	(4,381,650)	(1,277,696)	-	(5,659,346)
Other equipment	(690,924)	(74,955)	-	(765,879)
Spares MB123	(644,235)	(214,744)	-	(858,979)
	<u>(23,774,515)</u>	<u>(6,333,932)</u>	<u>33,915</u>	<u>(30,074,532)</u>
Capital assets - net	<u>\$ 65,136,137</u>	<u>\$ (6,297,065)</u>	<u>\$ (3,493)</u>	<u>\$ 58,835,579</u>

Massachusetts Technology Park Corporation

(A Component Unit of the Commonwealth of Massachusetts)

Notes to Financial Statements
Year Ended June 30, 2018

3. CAPITAL ASSETS...continued

<u>Business -Type Activities</u>	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Transfers/ Disposals/ Adjustments</u>	<u>Balance June 30, 2018</u>
Buildings	\$ 20,383,318	\$ -	\$ -	\$ 20,383,318
Improvements	1,297,849	24,000	-	1,321,849
Equipment	87,191	-	-	87,191
Furniture and fixtures	171,464	3,206	-	174,670
	<u>21,939,822</u>	<u>27,206</u>	<u>-</u>	<u>21,967,028</u>
Less - accumulated depreciation:				
Building	(14,672,929)	(507,392)	-	(15,180,321)
Improvement	(834,446)	(106,318)	-	(940,764)
Equipment	(86,459)	(321)	-	(86,780)
Furniture and fixtures	(152,769)	(3,491)	-	(156,260)
	<u>(15,746,603)</u>	<u>(617,522)</u>	<u>-</u>	<u>(16,364,125)</u>
Capital assets - net	<u>\$ 6,193,219</u>	<u>\$ (590,316)</u>	<u>\$ -</u>	<u>\$ 5,602,903</u>

4. DEFINED CONTRIBUTION PLANS

MassTech has adopted a simplified employee pension plan and a matching contribution 401(a) plan, which are administered by Vanguard and TIAA-CREF, respectively.

Employees of MassTech do not participate in social security. Under the simplified pension plan, MassTech makes a monthly contribution equal to 15% of each employee's eligible wages (as defined by the plan) to their retirement account. For the year ended June 30, 2018 pension expense was \$839,923.

Under the 401(a) plan, MassTech matches 50% of employees' contributions into their defined contribution plan with a maximum MassTech contribution of 3% of the employee's salary. In accordance with the plan, these contributions will "vest" at a rate of 25% for every full year an employee has been employed at MassTech. For the year ended June 30, 2018, MassTech's total contributions were \$128,711 of which \$107,553 was vested. These contributions were based on employee contributions of \$429,187.

5. LEASES

MassTech leases its Integrated Circuit Fabrication Facility ("ICFF") to an unrelated party in accordance with an operating lease (the "Lease") which will expire in April 2023 based upon an extension executed during fiscal year 2012. The Lease requires monthly base rent, as defined, payable in advance. Estimated future minimum lease payments to be received by MassTech as of June 30 are as follows:

<u>Fiscal Years</u>	<u>Amount</u>
2019	\$ 640,000
2020	637,000
2021	637,000
2022	632,500
2023	<u>478,100</u>
	<u>\$ 3,024,600</u>

Massachusetts Technology Park Corporation

(A Component Unit of the Commonwealth of Massachusetts)

Notes to Financial Statements
Year Ended June 30, 2018

5. LEASES...continued

MassTech continues to incur certain operating costs related to the ICFF. Under the terms of the Lease, the lessee has agreed to reimburse MassTech for these costs. For the year ended June 30, 2018, these reimbursements are included in operating lease revenue and amounted to \$56,589.

In accordance with the Lease, the lessee deposited \$125,000 with MassTech. These funds are included in other liabilities in the accompanying statement of net position for the proprietary fund at June 30, 2018.

MassTech's management monitors the financial stability of its lessee and believes that future minimum Lease payments will be received in accordance with the terms of the Lease.

MassTech leases office space at Two Center Plaza in Boston from an unrelated third party through an operating lease which will expire in September 2019. The Boston lease requires monthly rent payments and the estimated rent payments to be paid by MassTech as of June 30 are as follows:

<u>Fiscal Years</u>	<u>Amount</u>
2019	\$ 334,840
2020	<u>84,272</u>
	<u>\$ 419,112</u>

In accordance with the Boston Lease, MassTech deposited \$51,867 with Lessor. These funds are included in prepaid and other assets in the accompanying statement of net position at June 30, 2018.

6. RISK MANAGEMENT

MassTech is exposed to various risks of loss related to general property and casualty losses. Accordingly, MassTech's property and equipment are covered by commercial package insurance policies. In September 2017, MassTech added a new policy for the MassBroadband 123 network fiber and equipment.

MassTech also carries umbrella coverage for general, employee benefits, automobile, and employee liability up to \$10,000,000 in excess of its base coverage, as defined.

Officers' and directors' insurance provides coverage of \$15,000,000 per claim in the aggregate.

MassTech carries a crime policy that provides coverage of \$5,000,000 for employee theft and forgery and \$3,000,000 for computer fraud and funds transfer coverage.

MassTech has a \$4,000,000 surety bond as required by the U.S. District Court for Massachusetts as a condition for the preliminary injunction issued on May 18, 2017 related to its dispute with Axia NetMedia Corporation.

Massachusetts Technology Park Corporation

(A Component Unit of the Commonwealth of Massachusetts)

Notes to Financial Statements
Year Ended June 30, 2018

7. INTERFUND ACTIVITY

MassTech reports interfund activity between the governmental and business-type activities which primarily consist of accounts receivable and accounts payable transactions between the funds. The balance of the activity presented in the table agrees with the sum of internal balances presented in the governmental and proprietary fund financial statements.

Internal balances between funds at June 30, 2018, consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Campus operations	\$ 338,453.

Interfund transfers activity for allocated office related costs totaled \$149,088 through June 30, 2018.

Interfund transfers activity for the purpose of covering certain expenses and obligations for the MBI totaled \$3,586,323 through June 30, 2018.

8. RESTATEMENT PRIOR PERIOD ADJUSTMENT

The beginning fund balance of the general fund as of July 1, 2017, was restated to increase the fund balance and decrease the accrued liabilities balance as long-term liabilities relating to compensated absences were erroneously included in the general fund as of June 30, 2017. The effect on the net change in fund balance is an increase of \$677,187.

Additionally, amounts between general fund balances and governmental activities net position previously reported were reclassified in order to conform with accounting principles generally accepted in the United States of America. Accordingly, the components of governmental activities net position and general fund balance as of July 1, 2017 have been restated. The adjustments are summarized in the following tables:

	<u>Fund Balance July 1, 2017 (as reported)</u>	<u>Reclassification</u>	<u>Remove Long-Term Liabilities</u>	<u>Fund Balance July 1, 2017 (as restated)</u>
General Fund:				
Non-spendable	\$ 457,405	\$ -	\$ -	\$ 457,405
Committed	8,157,100	4,660,679	-	12,817,779
Restricted	<u>20,574,600</u>	<u>(4,660,679)</u>	<u>677,187</u>	<u>16,591,108</u>
	<u>\$ 29,189,105</u>	<u>\$ -</u>	<u>\$ 677,187</u>	<u>\$ 29,866,292</u>
			<u>2017 (as reported)</u>	<u>2017 (as restated)</u>
Governmental activities net position:				
Restricted for:				
Economic Development Fund			\$ 4,660,679	\$ -
Unrestricted			-	4,660,679

Massachusetts Technology Park Corporation

(A Component Unit of the Commonwealth of Massachusetts)

Notes to Financial Statements
Year Ended June 30, 2018

9. NONCURRENT LIABILITIES

Changes in accrued compensated absences for the year ended June 30, 2018 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Claims and judgments	\$ 4,030,644	\$ -	\$ -	\$ 4,030,644
Accrued compensated Absences	677,187	130,888	(231,332)	576,743
	<u>\$ 4,707,831</u>	<u>\$ 130,888</u>	<u>\$ (231,332)</u>	<u>\$ 4,607,387</u>

10. CONTINGENCIES

Design-Build Dispute

On March 21, 2014, G4S Technology LLC ("G4S"), the design-builder of the *MassBroadband 123 network*, submitted to MassTech a Request for Equitable Adjustment ("REA") seeking an increase in the contract price to which it had originally agreed in its design-build contract with MassTech (the "Contract"), and a time extension. After investigating the claim, MassTech rejected the request, and notified G4S that it owed MassTech liquidated damages and indemnity payments on account of G4S's failure to meet contractually mandated milestones, as well as compensation for additional costs incurred by MassTech as a result of contractual breaches by G4S, including, but not limited to, G4S's failure to perform required tasks in a manner consistent with contractual standards. On June 18, 2014, July 17, 2014, and August 15, 2014, MassTech notified G4S that it would be withholding these amounts from its contract balance payments to G4S pursuant to its set-off rights under the Contract. On July 10, 2014, the parties participated in a mediation session to discuss their respective outstanding claims which did not result in a resolution of those claims.

Thereafter, by letter dated September 10, 2014, G4S submitted an amended version of its REA to MassTech, and on September 22, 2014, G4S commenced an action in the Massachusetts Superior Court for Suffolk County, entitled *G4S Technology LLC v. Massachusetts Technology Park Corporation*, Civil Action No. 2014 02998 (the "G4S Action"), seeking to recover from MassTech the amount of the contract increase it sought in the amended REA, plus the contract retainage amounts withheld from G4S by MassTech in June, July and August of 2014 pursuant to its set-off rights under the Contract. On March 31, 2015, MassTech filed a response to G4S's complaint in the Action denying any liability to G4S, asserting various affirmative defenses to G4S's claims in the Action, and presenting counterclaims against G4S for, inter alia, breach of contract, fraud, and violation of M.G.L. c. 93A.

On September 15, 2015, based on evidence it obtained in discovery in the G4S Action, MassTech served G4S with a motion for summary judgment seeking dismissal of all of G4S's claims in the G4S Action on the asserted grounds that G4S intentionally breached the Contract by repeatedly failing to timely pay its subcontractors as required by the Contract, and by falsely certifying to MassTech, in connection with various requests for payment that G4S submitted to MassTech under the Contract, that G4S had paid all its subcontractors all amounts due them at the time the certifications were made. On September 17, 2015, MassTech referred the matter to the Department of Commerce Inspector General's Office as required by Section B.7 of the American Recovery and Reinvestment Act of 2009 ("Referral of False Claims to Department of Commerce Inspector General"), incorporated by reference into the federal grant award under which MassTech received some of the funds it paid to G4S under the Contract.

Massachusetts Technology Park Corporation

(A Component Unit of the Commonwealth of Massachusetts)

Notes to Financial Statements
Year Ended June 30, 2018

10. CONTINGENCIES...continued

On March 29, 2016, the Court granted MassTech's aforesaid motion for summary judgment and dismissed G4S's \$14 million of claims against MassTech on grounds of intentional breach. Thereafter, in the fall of 2016, MassTech filed a motion seeking summary judgment on its counterclaims for fraud and violation of c. 93A against G4S in connection with the aforesaid false certifications. Those claims were dismissed on summary judgment in early 2017, and MassTech voluntarily dismissed its remaining counterclaims on condition that they could be reasserted if the Court's rulings were altered on appeal. The Court then entered a final judgment in favor of MassTech dismissing all of G4S's claims, and the fraud and c. 93A counterclaims brought by MassTech, with prejudice.

Thereafter, in 2017, G4S appealed that final judgment to the Massachusetts Supreme Judicial Court, which affirmed the dismissal of all of G4S's breach of contract claims against MassTech, but reversed and remanded G4S's quantum meruit claim, and MassTech's fraud counterclaim, for further consideration by the trial Court, where they are now pending. The case is titled G4S Technology LLC v. Massachusetts Technology Park Corporation, 479 Mass. 721 (2018).

Network Operator Dispute

In early 2014, Axia NGNetworks USA, Inc. ("Axia"), the company that has contracted with MassTech to serve as the Network Operator of the MassBroadband123 fiber optic network (the "Network"), made claims, in its discussions and correspondence with MassTech, that it should receive additional compensation from MassTech on account of a variety of factors, including but not limited to the timing of the delivery of the Network to it. After investigating those claims, MassTech determined that Axia was not entitled to any additional compensation, and in several important respects was breaching its agreement with MassTech (the "Network Operator Agreement" or "Agreement") by, *inter alia*, failing to meet its sales and marketing obligations under that Agreement. In mid-2014, Axia advised MassTech that it intended to pursue its claims through the dispute resolution process outlined in the Agreement, which provides for negotiation and arbitration of most claims, and in certain limited circumstances, court litigation. At the same time, MassTech advised Axia that it would pursue its claims under the Agreement through that same process. On July 10, 2014, representatives of MassTech and Axia met to discuss the parties' respective claims, but a resolution of those claims was not achieved. Thereafter, on July 18, 2014, Axia informed MassTech that pending the outcome of the parties' dispute, it would be withholding all fees and payments to or on behalf of MassTech that it was required to make under the Agreement. In response, on July 29, 2014, MassTech commenced an action in the Massachusetts Superior Court for Suffolk County, entitled Massachusetts Technology Park Corporation v. Axia NG Networks, USA, Inc., Civil Action No. 2014 02410 (the "Axia Action"), seeking to enforce the arbitration provisions in the Agreement, require Axia to continue to performing its obligations under the Agreement, prevent Axia from withholding payment of the fees and payments it was required to make to or on behalf of MassTech under the Agreement, and allow MassTech to recover its litigation costs and damages. Along with its complaint in the Axia Action, MassTech filed a motion for temporary restraining order and preliminary injunction seeking an order from the Court immediately precluding Axia from withholding payment of the fees and payments in question, and requiring it to continue to perform those and all of its other obligations under the Agreement. That motion was granted on August 1, 2014, and at that time the court issued a temporary restraining order precluding Axia from withholding payment of the fees and payments in question, and compelling it to continue to perform those and its other obligations under the Agreement. Ten days later, on August 11, 2014, the Court held a further hearing on the matter, and converted the temporary restraining order into a preliminary injunction with the same terms, which remained in effect until on March 22, 2017, when Axia filed for Chapter 11 bankruptcy protection.

Massachusetts Technology Park Corporation

(A Component Unit of the Commonwealth of Massachusetts)

Notes to Financial Statements
Year Ended June 30, 2018

10. CONTINGENCIES...continued

On March 22, 2017, Axia, which by then had changed its name to KCST USA, Inc. ("KCST"), filed a Chapter 11 bankruptcy case, entitled *In re KCST, USA, Inc.*, Case No. 17-40501 (U.S. Bankruptcy Court for the District of Massachusetts) (the "Bankruptcy Case"), in which it asserted its aforesaid claims against MassTech, in the amount of \$18 million, in an Adversary Proceeding. MassTech, in turn, submitted its own Proof of Claim against KCST in the Bankruptcy Case and moved to compel arbitration of both sets of claims. The Bankruptcy Court granted that motion in December 2017, and the arbitration (the "KCST Arbitration") was commenced January 2018.

Network Operator Dispute...continued

During that same time period, after KCST filed the Bankruptcy Case on March 22, 2017, MassTech called on a Guaranty of KCST's payment and performance obligations under the Network Operator Agreement (the "Guaranty") that had been provided to MassTech six (6) years earlier, on February 25, 2011, by KCST's indirect parent company Axia NetMedia Corporation (the "Axia NetMedia"). Instead of acknowledging its obligations under the Guaranty, Axia NetMedia, on March 22, 2017, filed a declaratory judgment action against MassTech in the U.S. District Court for the District of Massachusetts, entitled *Axia NetMedia Corporation v. Massachusetts Tech. Park Corporation d/b/a Massachusetts Technology Collaborative*, Case No. 4:17-cv-10482 (D. Mass.), seeking a declaratory judgment that it had no obligations under the Guaranty, based in part of the pendency of KCST's claims against MassTech under the Network Operator Agreement, and refused to perform the Guaranty.

In response, MassTech moved to compel arbitration of Axia NetMedia's claim, and requested that the District Court issue a temporary restraining order ("TRO") and preliminary injunction ("PI") compelling Axia NetMedia to perform its obligations under the Guaranty while its claims were being resolved pursuant to a "Continued Performance" provision in the Guaranty. On April 24, 2017, the District Court granted the requested TRO, and on May 18, 2017, the District Court also issued the requested PI, thereby compelling Axia NetMedia to perform its obligations under the Guaranty, which is capped at \$4 Million, during the pendency of the parties' dispute. At the same time, the District Court denied MassTech's Motion to Compel Arbitration without prejudice on grounds that it was premature. On June 14, 2017, Axia NetMedia filed a Notice of Appeal of the District Court's May 18, 2017 PI, and its subsequent Order, dated June 9, 2017, compelling it to turn over certain access codes to the Network to MassTech, to the United States Court of Appeals for the First Circuit ("First Circuit"). On April 25, 2018, the First Circuit affirmed all of the District Court's orders with the caveat that the District Court should amend its PI order to make clear that Axia NetMedia's obligations under the PI would terminate once it had properly expended \$4 million in complying with the Guaranty. The case is titled *Axia NetMedia Corp. v. Mass. Tech. Park Corp.*, 889 F.3d 1 (1st Cir. 2018).

While that appeal was pending, MassTech renewed its Motion to Compel Arbitration in the District Court on June 29, 2017, and the District Court granted that motion on August 29, 2017. On July 18, 2017, MassTech filed a Demand for Arbitration of Axia NetMedia's claims, and of its own claim against Axia NetMedia for bad faith breach of the Guaranty, with the American Arbitration Association ("AAA").

In January 2018, that arbitration was consolidated with the arbitration of related claims asserted by KCST and MassTech against each other in the KCST Arbitration, and this consolidated Axia NetMedia-KCST-MassTech arbitration was commenced in February 2018.

Massachusetts Technology Park Corporation

(A Component Unit of the Commonwealth of Massachusetts)

Notes to Financial Statements
Year Ended June 30, 2018

11. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 21, 2018.

In the G4S matter, the trial Court has extended the discovery period (fact gathering) until April 2019. There has been no further discovery in the case since the SJC decision, and no activity other than a status conference in August 2018. On December 11, 2018, however, the Massachusetts Attorney General's Office filed an Assurance of Discontinuance signed by G4S in the Massachusetts Superior Court describing a \$430,000 civil penalty paid by G4S on account of the false certifications it submitted to MassTech on the MassBroadband 123 network design-build project, and on a project for the Massachusetts Department of Transportation.

In the Axia matter, the consolidated Axia NetMedia-KCST-MassTech arbitration that was commenced in February 2018 resulted in a decision ("Final Award") which, as modified, required MassTech to refund approximately \$4.09 million to KCST and \$4.3 million to Axia NetMedia for losses they each had incurred under the original Network Operator Agreement and the Guaranty. Those payments, which included all interest due, were made to KCST and Axia on December 17, 2018. The Final Award also contained provisions stating that it was "reforming" the Network Operator Agreement prospectively so as to include, among other things, a revised network operator fee structure; a change in certain third party contract payment obligations; a requirement that MassTech subsidize network losses through an offset of future network operator fees; a right on the part of MassTech to recoup such subsidy amounts from the network operator through future network profits, and elimination of the existing guarantee of the contract by KCST's parent Axia. MassTech is still evaluating the impact of these portions of the Final Award, and as to some has not yet determined whether it will challenge them in court.

In the Bankruptcy Case, the Court has ordered KCST to file either a motion to assume or reject the Network Operator Agreement, or a Chapter 11 Plan of Reorganization, disclosure statement, and motion to approve disclosure statement that will propose assumption or rejection of the Network Operator Agreement, on or before January 31, 2019.



RSM US LLP

Page 40

**Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Independent Auditor's Report

To the Board of Directors of
Massachusetts Technology Park Corporation

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities and each major fund of the Massachusetts Technology Park Corporation (the "Organization"), a component unit of the Commonwealth of Massachusetts, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Organization's basic financial statements, and have issued our report thereon dated December 21, 2018. Our report included emphasis of matter paragraphs for the correction of errors related to long-term liabilities that should not have been included in the general fund and the classification between fund balance categories, for the correction of an error related to classification between governmental activities net position categories and for management's evaluation of an \$8.2 million payment resulting from litigation and management's plans to mitigate this matter.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the attached schedule of findings and responses as item IC 2018-01, that we consider to be a material weakness.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Organization's Response to Findings

The Organization's response to the finding identified in our audit is described in the attached schedule of findings and responses. The Organization's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

Boston, Massachusetts
December 21, 2018

Schedule of Findings and Responses

IC 2018-01 — Financial Reporting

Criteria: Internal control policies and procedures should provide reasonable assurance regarding the reliability of the financial reporting process, including the accurate recording and disclosure of accounting transactions.

Condition: Material accounting adjustment were made to the financial statements to comply with generally accepted accounting principles. This included an adjustment to the prior period financial statements in order to properly report the general fund balance and reclassification entries relating to the governmental fund net position and general fund balance.

Context: The condition relates to non-routine and unusual transactions.

Cause: Established controls requiring the reconciliation and review of account balances failed to identify the error noted.

Effect: The July 1, 2017 fund balance for the general fund was restated for the correction of errors related to long-term liabilities that should not have been included in the general fund and the classification between fund balance categories. As a result, July 1, 2017 fund balance increased by \$677,187. Further, the July 1, 2017 net position for governmental activities was restated for the correction of an error related to classification between the restricted and unrestricted net position categories.

Recommendation: We recommend that management review the design of established controls and implement the changes necessary to allow for the accurate recording and disclosure of accounting transactions on an ongoing basis.

Views of Responsible Officials and Planned Corrective Action: Management will review the established internal controls, particularly those related to reconciliations and classification of account balances, and shall make any necessary changes to ensure accurate recording and financial reporting.