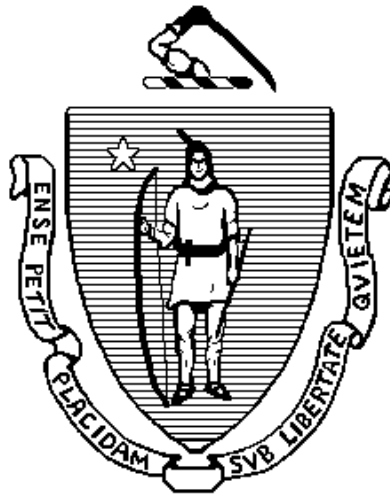


# Commonwealth of Massachusetts



## Statutory Basis Financial Report

*For the Fiscal Year Ended June 30, 2011*

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

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

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

View from the Boston Harbor Walk at the John Joseph Moakley Courthouse looking towards Deer Island

Photography by Vinh Nguyen, Wing Chan and Jim Guan, staff of the Office of the Comptroller

# Statutory Basis Financial Report

For the Fiscal Year Ended June 30, 2011

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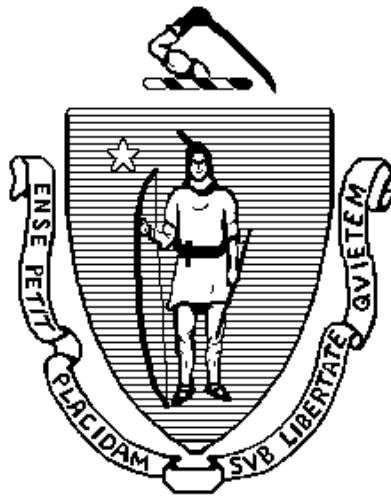
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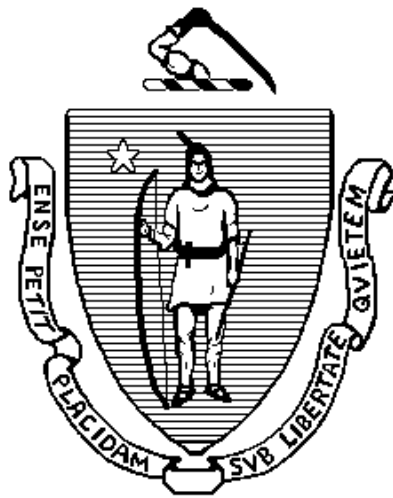
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# *Introductory Section*



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



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

*November 2, 2011*

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

I am pleased to present to you the Statutory Basis Financial Report (SBFR) of the Commonwealth for the fiscal year ended June 30, 2011 (FY11).

This SBFR, reflecting a legislative change enacted during FY09, is in a streamlined format. In addition, the change calls for the report to be reviewed and not audited. It is important to note that the Comprehensive Annual Financial Report (CAFR) remains audited. This means the underlying activity in the SBFR report receives the same audit coverage but through a streamlined process. The SBFR focuses on the budgeted operations of the Commonwealth, without changing processes and procedures on the other funds. The important Stabilization Fund calculation and supporting schedules are included in this report and are found in the supplemental information section. The non-budgeted special revenue and capital projects funds are presented in tabular format, which we believe simplifies the presentation of the Commonwealth's financial operations.

As of June 30, 2011, the Commonwealth had a budgeted fund balance of approximately \$1.901 billion and completed the fiscal year with a consolidated net surplus sufficient to meet statutory requirements for \$103.9 million to be carried forward and reserved as undesignated in FY12 (1/2 of 1% of FY11 tax revenue collections), a total deposit of approximately \$699 million to the Stabilization Fund (also known as the "Rainy Day Fund"), and \$10 million to be transferred to the Life Sciences Fund. (In addition, \$10.7 million in investment earnings accrued to the Stabilization Fund in FY11.) The total budgeted fund balance of \$1.901 billion represents a budgetary gain (a surplus of revenues and other sources over expenditures and other uses) of approximately \$998 million, added to the FY11 beginning balance of \$903 million. The increase in the total fund balance reflects an FY11 surplus resulting from growth in tax revenues due primarily to a recovering economy and stock market and certain changes in federal tax law that resulted in higher non-withheld tax revenues. Of the total budgeted fund balance, \$1.379 billion is reserved in the Stabilization Fund, compared to a balance of over \$2.3 billion in 2007 before the recession began and \$670 million at the end of FY10, after three fiscal years in which Stabilization Fund revenue was used to offset the impacts of the recent economic downturn. At the end of FY11, \$400 million is reserved for continuing appropriations and debt service into fiscal year 2012. The remaining undesignated balance of \$122 million is made up of the statutorily required carryforward and other smaller fund balances.

In FY11, the Commonwealth also used \$2.4 billion in funds it received from the federal ARRA funds (with about \$1.3 billion of that revenue

being in the budgetary funds); in FY12, ARRA funds are expected to decline to less than \$400 million, with no ARRA revenues expected to be available for the Commonwealth's budgeted funds in FY12.

During FY11, budgeted fund tax revenues increased by \$1.924 billion, or 11.2% from FY10. Income taxes increased by \$1.487 billion, or 14.7% from FY10, due mainly to a recovering economy and taxes received from capital gains resulting from rising asset markets. Sales and use taxes increased by \$295 million, or 6.4%, but by only 3.7% after taking into account the full year impact of an increase in the sales tax rate that was in effect for only 10 months of FY10.

The FY 11 results reflect the full year impact of two changes made part way through FY10: the consolidation of the Commonwealth's transportation agencies and the transfer of seven county sheriffs to state government.

In FY11, there were approximately \$2.0 billion in one-time spending reductions and revenue increases, down from approximately \$2.5 billion in FY10. Significant FY11 one-time events include:

- A total of \$1.55 billion in federal stimulus funds, \$1.25 billion of which was from increased Medicaid reimbursements, \$200 million of which was from increased education funding and \$101 million was from special education savings realized as a result of federal stimulus funds under the Individuals with Disabilities Education Act (IDEA) Program;
- \$100 million in savings from debt service restructuring;
- \$25 million in revenue from transfers to the General Fund by quasi-public agencies;
- \$59 million in revenue from transfers to the General Fund from inactive trust funds;
- One-time tax settlement revenues of approximately \$172 million. (For FY12 new legislation requires that all one-time tax and non-tax settlements exceeding \$10 million will be deposited in the Commonwealth's Stabilization Fund. As of October 2011, \$71 million in one-time settlement revenue had already been deposited in the Stabilization Fund in FY12.)

During FY11, the Commonwealth also transferred \$9.0 million in investment income earned by the Stabilization Fund to the General Fund, but per statute this amount was transferred back to the General Fund from the Temporary Holding at the end of FY11. Thus, no net Stabilization Fund reserves were used in FY11.

As the Commonwealth continued its emergence from recession (which, according to the National Bureau of Economic Research – the official arbiter of when recessions start and end in the United States – ended nationally in June 2009), employment in the Commonwealth continued to grow in FY11. Between June 2010 and June 2011, on a seasonally adjusted basis, Massachusetts employment grew by 49,000, or 1.5%, compared to an employment growth of 0.8% for the United States as a whole, and in June 2011 the Massachusetts unemployment rate was 7.6%, compared to 9.2% nationally.



The General Appropriation Act for FY12 was based on a budgeted revenue estimate of approximately \$30.4 billion, of which approximately \$17.7 billion represented taxes available for budget after adjusting for \$2.9 billion in tax revenue that is allocated for state pension contributions and sales tax revenue dedicated to the Massachusetts Bay Transportation Authority and the Massachusetts School Building Authority. As of September 30, 2011, FY12 tax collections were \$193 million above the year-to-date benchmark based on the \$17.7 billion estimate, although \$71 million of this amount was due to one-time tax settlements, which under legislation effective July 1, 2011, was transferred to the Stabilization Fund in October 2011 and is therefore not available for use in the budgeted funds in FY12 without a specific appropriation. On October 17, 2011 the Executive Office for Administration and Finance raised the FY12 tax revenue estimate of taxes available for budget by \$395 million, to \$18.1 billion.

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

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

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

The SBFR is intended to satisfy the requirements of state finance law and to present fairly the results of FY11 activity in the Commonwealth's funds. The report contains computations required by state finance law, including the certification of transfers to and balances in the Stabilization Fund and Tax Reduction Fund.

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

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

In accordance with Section 12 of Chapter 7A of the Massachusetts General Laws, as amended, the Office of the Comptroller transmits the

SBFR on October 31<sup>st</sup>. The SBFR for the fiscal year ended June 30, 2011 herein is reviewed, not audited, by KPMG LLP and represents the closing of the Commonwealth's books for the fiscal year. The review is conducted in conjunction with the Office of the State Auditor, which provides knowledge, expertise and resources to review the financial statements.

**American Recovery and Reinvestment Act  
Expenditures of Federal Award Activity for FY2010 and FY2011**

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

For the year ended June 30<sup>th</sup>, ARRA funds received by the Commonwealth in all funds (budgetary and non-budgetary) were approximately \$2.4 billion. Medicaid reimbursement percentages were raised due to ARRA, generating \$1.25 billion of increased revenues.

Funding Category	FY2011	FY2010
Agriculture.....	\$ 4,980	\$ 9,332
Department of Defense.....	531	8,885
Housing and Urban Development.....	48,790	29,743
Justice.....	7,410	7,297
Labor.....	145,394	472,714
Transportation.....	191,861	74,422
US Treasury.....	58,802	40,354
National Institute for Arts & Humanities.....	9	339
National Science Foundation.....	225	66
EPA.....	9,838	10,431
Energy.....	75,230	69,193
Education.....	533,091	606,988
Health and Human Services.....	1,304,698	1,452,408
Homeland Security.....	685	670
<b>Total by funding category.....</b>	<b>\$ 2,381,544</b>	<b>\$ 2,782,843</b>
Total budgeted funds.....	\$ 1,268,820	\$ 1,420,705
Total non-budgeted special revenue funds *.....	808,458	857,430
Total capital projects funds.....	1,370	-
Total agency funds.....	3,204	4,207
Total Unemployment Benefits and Other Agency Funds **.....	107,832	426,079
Total Massachusetts Department of Transportation.....	191,861	74,422
<b>Total by fund type.....</b>	<b>\$ 2,381,544</b>	<b>\$ 2,782,843</b>

In many respects ARRA is triggering a re-examination of governmental interaction with its citizens nationwide. ARRA requires heightened scrutiny of processes, policies and procedures, achieving a new level of transparency. The Commonwealth intends to exceed the reporting requirements of ARRA in building a citizen-focused, transparent website to disclose not only ARRA activities, but all federal activities and results, and in FY11 began a staged roll-out of its transparency website. Information can be found at <http://www.mass.gov/recovery> for daily updates on how ARRA is benefiting the Commonwealth.

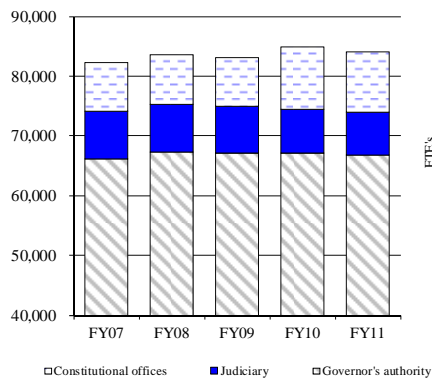
**Lottery**

In FY11 the Commonwealth transferred approximately \$898.9 million in the aggregate to municipalities in so called Unrestricted General Government Aid (formerly called Lottery Aid), of which \$802.2 million was from Lottery profits with the balance supported by the General Fund. This represented a decrease in transfers of approximately \$37.5 million from FY10. Gross Lottery revenues (including the Arts Lottery) increased by approximately \$3 million, from \$4.630 billion in FY10 to \$4.633 billion in FY11.

\* Resulted in expenditure reduction in the General Fund  
\*\* Not included in this report

The FY12 General Appropriation Act contains provisions for \$834.0 million in unrestricted general government aid, a decrease of approximately \$65 million from FY11. However, that same act provided for restoration of up to \$65 million in local aid in FY12, contingent on FY11 reversions. As the reversion threshold was met, the \$65 million in additional local aid was restored using the FY11 surplus, and paid to cities and towns in October 2011.

**Full Time Equivalent Workforce Including Higher Education June 2007 – June 2011**



**Full-Time Equivalent Employment**

The chart to the left shows the Commonwealth's full-time equivalent employment levels over the past five fiscal years. A change in accounting for certain Higher Education employees in FY09 and government reorganizations in FY10 involving the Massachusetts Department of Transportation (MassDOT) and county sheriffs' departments resulted in additional FTEs being transferred to the Commonwealth's payroll system in FY09 and FY10. In FY09, the state switched approximately 2,500 Higher Education employees to the Commonwealth's payroll system. In FY10, approximately 1,330 employees of the former Massachusetts Turnpike Authority and the Tobin Bridge were transferred to MassDOT. Also in FY10, the sheriff

departments of Barnstable, Bristol, Dukes, Nantucket, Norfolk, Plymouth and Suffolk were brought onto the state's accounting and payroll systems, with approximately 2,770 employees. These increases were offset by reductions in state employment due to a combination of employee attrition and layoffs, as the state responded to lower tax revenues caused by the recession. Adjusting for the 6,600 employees brought onto the state payroll system as a result of these accounting changes and reorganizations, state employment levels dropped by a total of 6,166 FTEs between June 30, 2008 and June 30, 2011.

**The Budgeted Funds**

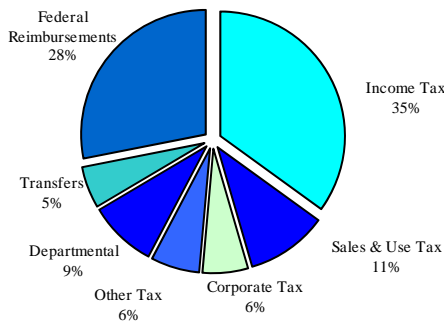
The General Appropriation Act (GAA) authorized approximately \$30.0 billion in spending, exclusive of approximately \$1.44 billion in required pension contributions and \$111 million in FY10 spending authorized to be continued into FY11 as part of final FY10 supplemental budgets.

The FY11 budget as enacted by the Legislature was based on an FY11 tax revenue estimate of \$19.098 billion, including \$2.853 billion in tax revenue allocated to the Massachusetts Bay Transportation Authority (\$767 million), the School Modernization And Reconstruction Trust Fund (\$646 million) and the Pension Reserves Investment Trust Fund (\$1.44 billion). Net of these allocations, tax revenue available for budget was \$16.245 billion. This estimate was subsequently revised downward by \$20 million soon after the fiscal year began due to the enactment of a sales tax holiday. The \$19.098 billion estimate reflected the FY11 consensus tax estimate of \$19.051 billion adjusted for the impact of tax law changes enacted as part of the FY11 budget. The FY11 tax revenue estimate was revised upward to \$19.784 billion on January 2011 as tax revenues had performed above benchmark in the first half of FY11.

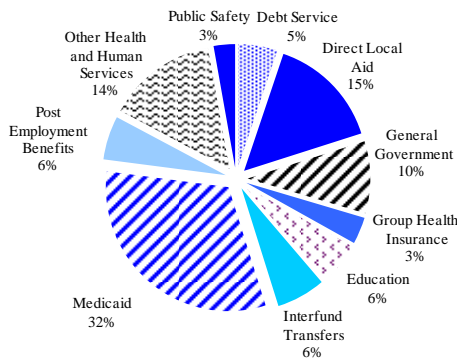
At the time the Governor signed the FY11 budget in July 2010, it was unknown whether the federal government would enact legislation extending through FY11 higher Medicaid reimbursements under ARRA. Historically, those reimbursements were at a rate of 50% of state expenditures for Medicaid, but had been raised to 61.59% through June 30, 2010. Responding to this uncertainty, the Legislature included in the FY11 General Appropriation Act alternative funding levels for most line items, reflecting spending with and without the additional ARRA revenue. The Governor vetoed the additional funding authorizations, but once federal legislation authorizing the higher federal Medicaid reimbursements (totaling \$499 million) was enacted in August 2010, the Governor filed supplemental budgets to restore the vetoed funding. In response to the federal ARRA increases, supplemental appropriations totaling approximately \$419 million were enacted in October 2010, \$327 million of which was for MassHealth, the state's Medicaid program.

Approximately \$1.511 billion in supplemental appropriations were authorized during FY11 prior to June 30, 2011. Subsequent to year end, an additional supplemental budget was enacted totaling approximately \$135 million in new FY11 appropriations, all of which were continued to FY12 and reappropriated. Besides the appropriations that restored federal funding, the year's significant supplemental appropriation activity included approximately:

**Budgeted Revenues and Other Sources**



**Budgeted Expenditures and Other Uses**



- \$494 million for payments to hospitals through the Medical Assistance Trust Fund (which were largely offset through corresponding federal Medicaid revenue);
- \$261 million for additional MassHealth payments;
- \$50 million for snow and ice removal, in response to the severe storms of winter 2010-2011;
- \$46 million for family shelters;
- \$41 million for additional private counsel compensation for indigent clients;
- \$30 million for labor agreement settlements with court employees;
- \$25 million for underground storage tank grants;
- \$20 million for health care costs for immigrants with legal status;
- \$18 million for prison facilities operations;
- \$15 million to pay for the cleanup costs of the June 2011 hurricane.

Budgeted revenues and other sources (before transfers between the budgeted funds, which are included in both spending and revenue, and thus have no effect on fund balances) grew by \$2.8 billion, or 9.1%, in FY11. Revenue growth was due to strong tax revenue collections, as taxes available for budget grew by \$1.9 billion, or 11.2%, and higher federal reimbursements, which were up \$751 million, or 8.8%, primarily the result of increased spending on the state's federally reimbursable Medicaid, or MassHealth, program.

Budgeted expenditures and other uses, including transfers to non-budgeted funds, increased by \$1.65 billion, or 5.4%, from FY10. Most of the growth in budgeted expenditures and other uses resulted from an increase in transfers to non-budgeted funds, which grew from \$1.04 billion in FY10 to \$2.06 billion in FY11, with \$680 million of growth resulting from higher transfers to non-budgeted health care funds and most of the remainder due to a change in the way the Commonwealth's transfers to MassDOT were reported.

Programs and services grew by \$740 million, or 2.9%. Medicaid expenditures grew by \$951 million, or 10.2%, from \$9.286 billion in FY10 to \$10.237 billion in FY11. On net, other program and service spending fell due to program cuts.

Spending for direct local aid decreased by \$53 million, or 1.1%, due to reductions in unrestricted local aid. Debt service decreased by \$196 million, or 10.5%, due to debt restructuring as authorized by the Legislature in FY11, lower than projected interest rates and the timing of certain debt issues. Post-employment benefit costs increased by \$90 million, or 5.2%.

The Budgeted Funds – Operations table on page 7 displays the FY11 summary of budgeted funds compared to FY10. The FY11 financial statements for each of the seven individual budgeted funds are included in the financial section of this report.

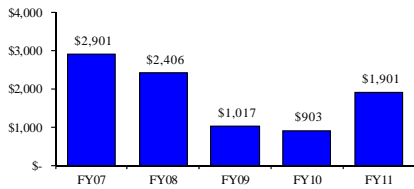
In conducting the budget process, the Commonwealth excludes from its forecast those “interfund” transactions within the budgeted funds that are included in this report; these transactions by their nature have no impact on the combined fund balance of the budgeted funds. The table Budgeted Funds – Operations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

from the budgeted sources and uses to align forecasts prepared during the budget process to actual amounts in this report. In FY11, transfers among the Budgeted Funds increased primarily as a result of transfers to and from the Temporary Holding Fund, into which tax revenues in excess of certain growth limits are deposited, but then returned to the General and Stabilization Funds at the end of the fiscal year. Interfund transfers also increased due to the deposits in the Stabilization Fund at year-end. A detailed list of these interfund transfers is included in Note 3 of the financial statements and Schedule C of the Supplemental Information section of this report.

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

	2010	2011
Beginning fund balances:		
Reserved and designated.....	\$ 68,856	\$ 121,959
Reserved for Stabilization Fund.....	841,344	669,803
Undesignated.....	106,436	111,306
Total.....	1,016,636	903,068
Revenues and other sources:		
Taxes.....	17,171,378	19,094,935
Federal reimbursements.....	8,548,836	9,299,546
Departmental and other revenues.....	2,800,917	2,912,270
Interfund transfers from non-budgeted funds and other sources.....	1,788,885	1,768,582
Budgeted revenues and other sources.....	30,310,016	33,075,333
Intragovernmental Service Fund revenues.....	239,252	286,079
Interfund transfers among budgeted funds and other sources.....	531,529	3,174,854
Total revenues and other sources.....	31,080,797	36,536,266
Expenditures and other uses:		
Programs and services.....	25,776,277	26,515,830
Debt service.....	1,859,641	1,663,876
Post Employment Benefits.....	1,748,619	1,838,857
Interfund transfers to non-budgeted funds and other uses.....	1,039,047	2,059,019
Budgeted expenditures and other uses.....	30,423,584	32,077,582
Intragovernmental Service Fund expenditures.....	239,252	286,079
Interfund transfers among budgeted funds and other uses.....	531,529	3,174,854
Total expenditures and other uses.....	31,194,365	35,538,515
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	(113,568)	997,751
Ending fund balances:		
Reserved and designated.....	121,959	400,061
Reserved for Stabilization Fund.....	669,803	1,379,071
Undesignated.....	111,306	121,687
Total.....	\$ 903,068	\$ 1,900,819

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



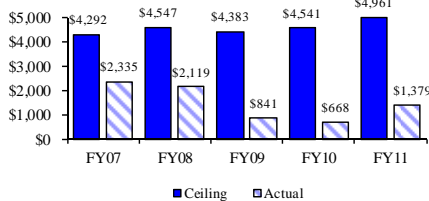
The graph of Budgeted Funds – Fund Balance on this page portrays the combined fund balance in the budgeted funds for the past five years.

At June 30, 2011, the ending balance is comprised mainly of the statutory fund balance of the General Fund and the Stabilization Fund. Due to designations of fund balances, \$400 million of the total budgeted fund balance, exclusive of stabilization, is reserved for appropriations and debt service in FY12. The remainder is undesignated.

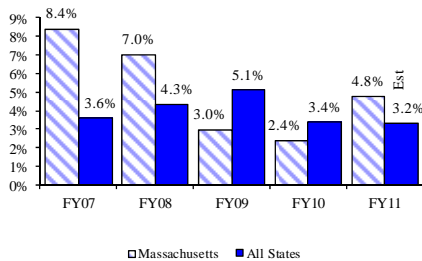
**The Stabilization Fund**

As states around the country are struggling with ongoing fiscal difficulties, the importance of the Stabilization Fund cannot be overstated. Although state fiscal conditions improved during FY11, according to the National Association of State Budget Officers' (NASBO) publication *The Fiscal Survey of the States: Spring 2011*, 23 states made mid-year budget cuts of \$7.8 billion to maintain budget balance. That was an improvement from FY10, when 39 states made \$18.3 billion in mid-year budget cuts and from fiscal 2009, when 43 states made mid-year cuts totaling \$31.3 billion. In addition to the \$7.8 billion in mid-year budget cuts in fiscal 2011, six states enacted \$3.6 billion in mid-year tax and fee increases. The survey showed states reduced or eliminated budget gaps during FY11 by increasing taxes and fees, laying off and furloughing personnel, offering early retirement incentives, instituting across-the-board or targeted cuts and reorganizing operations. As tax revenue collections improved in the Commonwealth in FY11, Massachusetts was able to avoid mid-year spending cuts or enactment of revenue increases and did not draw any revenue from the Stabilization Fund. (During FY11, the Commonwealth did transfer \$9.0 million of Stabilization Fund investment income to the General Fund, but that revenue was returned to the Stabilization Fund from the Temporary Holding Fund at the end of FY11 prior to the calculation of the consolidated net surplus.) In addition, the FY12 General Appropriation Act provided for \$10 million to be transferred to the Massachusetts Life Sciences Fund at the end of FY11. After that transfer and statutorily required transfers of \$104 million and \$350 million to the Stabilization Fund, a residual balance of \$245 million was deposited in the Stabilization Fund, bringing its balance to \$1.379 billion. For FY12, the General Appropriation Act authorizes that \$200 million be drawn from the Stabilization Fund and mandates that all investment income earned by the Stabilization Fund be transferred to the General Fund. Also, as noted above, the FY12 budget included a law change that directed the Comptroller to deposit in the Stabilization Fund all judgments and settlements exceeding \$10 million. Through October 2011, such deposits in FY12 have totaled \$71 million.

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



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



The chart on the left shows that the Stabilization Fund balance declined rapidly between FY07 and FY10 as the recession caused declines in revenue, but increased by more than \$709 million in FY11 as the Massachusetts economy recovered and tax revenues grew faster than expected. *The Fiscal Survey of the States* ranked the Commonwealth fourth in the nation in FY10 (the most recent year for which final stabilization fund balances were available for all states) in terms of the balance in the Stabilization Fund. Sixteen states had no stabilization fund balance at the end of FY10. Of the states with over \$10 billion in

General Fund expenditures for FY10, the Commonwealth's Stabilization Fund balance as a percentage of expenditures ranked third in the nation. The FY11 estimates released by NASBO in June 2011 indicate that Massachusetts's Stabilization Fund balance of 4.8% of General Fund expenditures ranked third in the nation and second in the nation for states with over \$10 billion in expenditures. The chart on page 8 shows that Stabilization Fund balances as a percentage of total expenditures in the Commonwealth is now higher than the 3.2% average balance for all states. Because the national calculation is skewed by Alaska and Texas (whose revenue streams have benefited from strong oil revenues in recent years and which together accounted for more than half of all stabilization fund balances in FY10), Massachusetts's relative Stabilization Fund balance compared to other states is stronger than it first appears. A better measure of relative performance is the median percentage of Stabilization Fund balances as a percent of total expenditures, which factors out extreme values. By that measure, Massachusetts's Stabilization Fund balance of 4.8% of expenditures was higher than the estimated national median of 1.1% of expenditures.

### ***The Non-Budgeted Funds***

The Non-Budgeted Funds represent operations in which the government has imposed its sovereign authority but has excluded these operations from the annual budget process. During FY11, the Commonwealth maintained 66 non-budgeted funds, while another six were inactive.

The largest non-budgeted funds in terms of revenues include the Lottery, the Federal Grants Fund and the Commonwealth Care Trust Fund. Other funds that show large inflows have inflows comprised of transfers of taxation and grant receipts. These include the MBTA State and Local Contribution Trust Fund, the School Modernization Trust Fund and the Grant Anticipation Notes Trust Fund. A change from last year's report is that this year's report includes funds under the control of MassDOT, but whose transactions are posted on the Commonwealth's accounting system.

The table Non-Budgeted Funds – Operations below includes a summary of the FY11 non-budgeted funds. A Statement of Revenues, Expenditures and Changes in Fund Balance is presented in a table within this report for each of the individual non-budgeted funds in the financial section of this report.

As previously discussed, the State Lottery Funds ended the year with a profit dedicated to cities and towns of approximately \$802.2 million, slightly above last year's distribution. However, the General Appropriation Act mandated a transfer of Lottery Revenue sharing no less than \$898.9 million, with the difference between that amount and Lottery profits coming from the General Fund.

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

	<u>2010*</u>	<u>2011</u>
Beginning fund balance (restated).....	\$ 2,389,968	\$ 1,813,232
Revenues and other sources:		
Taxes.....	1,621,109	1,680,656
Assessments.....	572,585	517,048
Federal grants and reimbursements.....	3,940,562	3,779,789
Tobacco settlement revenue.....	263,678	248,741
Departmental and miscellaneous.....	5,157,923	5,587,101
Transfers and other sources.....	1,591,490	2,564,908
Total revenues and other sources.....	<u>13,147,347</u>	<u>14,378,243</u>
Expenditures and other uses:		
Programs and services.....	10,840,416	11,753,930
Debt service.....	249,787	456,797
Transfers and other uses.....	2,633,880	1,996,832
Total expenditures and other uses.....	<u>13,724,083</u>	<u>14,207,559</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	<u>(576,736)</u>	<u>170,684</u>
Ending fund balance (restated).....	<u>\$ 1,813,232</u>	<u>\$ 1,983,916</u>

\* FY10 activity was restated to include operations of three MassDOT funds as reported on MMARS

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

- The Medical Security Trust – a \$62.1 million operating deficit and an ending fund deficit of \$80.7 million. This fund, which provides health insurance for individuals on unemployment insurance, saw its balances depleted due to high rates of unemployment, combined with the extension of eligibility for benefits up to 99 weeks.
- Convention and Exhibition Center Fund – a \$25.8 million operating deficit.
- Central Artery/Tunnel Project Maintenance Trust Fund – a \$14.4 million operating deficit

The Health Care Security Trust (HST) continues to report all revenues received from the Master Settlement Agreement (MSA) between the states and the tobacco industry to recover healthcare costs for tobacco-related illnesses. The MSA provides for three sets of payments to the states: Initial Payments in 1999-2003; Annual Payments starting in April 2000 and running in perpetuity; and Strategic Contribution Payments from 2008-2017. The MSA estimates Commonwealth revenues for the first 25 years of the settlement to be approximately \$8.96 billion, including Strategic Contribution Payments. However, this estimate is subject to future adjustments, including adjustments for inflation and changes in the volume of domestic cigarette sales. In

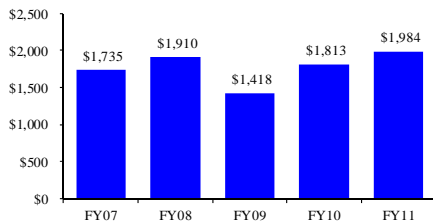


FY11, the Commonwealth received \$248.7 million, or approximately 67.2% of the estimated amounts shown in the MSA. FY11 tobacco settlement revenue declined by \$14.9 million from FY10 primarily due to a reduction in the volume of cigarettes sold nationwide during calendar year 2010. The FY11 GAA directed all MSA receipts to the General Fund.

Again in FY11, a portion of the Commonwealth’s federal transportation funds were dedicated to paying off prior year expenditures of the Central Artery/Tunnel Project (CA/T), which were temporarily financed through Federal Grant Anticipation Notes (GANS). During FY11, additional Federal GANS were issued to finance the Commonwealth’s Accelerated Bridge Repair program as well as to refund already outstanding GANS.

For the Universal Health Care funds, including the Commonwealth Care, Essential Community Provider, Medical Assistance, Health Safety Net and, Medical Security Trust Funds and Catastrophic Illness in Children Relief Fund, all of which are largely related to Health Care Reform, revenues and other financing sources were nearly \$2.5 billion in FY11, an increase of approximately \$800 million from FY10. This growth was due primarily to increased transfers of more than \$100 million to the Commonwealth Care Trust Fund and more than \$570 million to the Medical Assistance Trust Fund, with higher spending in those funds absorbing virtually all of the increased revenue.

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



\* FY10 balances were restated to include operations of three MassDOT funds as reported on MMARS

The graph Non-Budgeted Funds - Fund Balance at left shows the combined fund balance in the Non-Budgeted funds for the past five years. Please note that the FY10 balances were restated to include operations of three MassDOT funds as reported on MMARS.

As noted in previous years’ reports, the Government Land Bank Fund has a chronic structural fund deficit. The FY11 deficit balance of approximately \$35 million remains an unbudgeted drain on the Commonwealth’s General Fund. While steps have been taken to stop the growth in this deficit, the Fund should be abolished and the deficit transferred in the General Fund. As explained in previous years’ financial reports, more consolidation and elimination is needed for the non-budgeted special revenue funds generally.

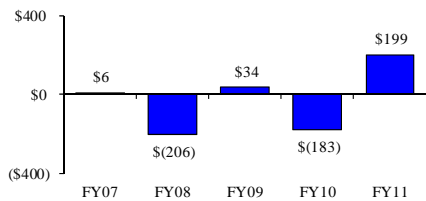
***The Capital Projects Funds***

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

The structure of these funds is such that each capital outlay authorization is in balance, creating authorization for inflows (which may be from sales of bonds, federal reimbursements or other revenues) and authorization for expenditures. Imbalances due to timing differences develop when the expenditure precedes the inflow of funds from the sale of bonds or federal reimbursements. Because of federal tax arbitrage rules, tax exempt bonds are not routinely sold in anticipation of expenditures.

To fund the fiscal 2011 capital budget, the Commonwealth borrowed by issuing \$2.06 billion in long-term general obligation bonds, \$1.56 billion of which was for new-money needs, with the remainder for refunding already existing debt. Of the new money issues, \$708 million was issued as Build America Bonds (BABs). The BABs program is a temporary bond program authorized by the federal government as part of the 2009 America Recovery and Reinvestment Act (ARRA). Under the BABs program, issuers borrow by selling bonds into the taxable bond market and receive in return a subsidy from the federal government equal to 35% of the interest costs on the bonds. Given market conditions at the time of the Commonwealth’s two BABs sales, this program resulted in borrowings whose net interest costs will be significantly lower than the interest on traditional tax-exempt bonds. The BABs program expired on December 31, 2010, and unless the program is reauthorized by the federal government, no additional BABs will be issued.

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



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

The graph Capital Projects Funds – Fund Balance (Deficit) at left shows the combined fund balance in Capital Projects Funds for the past five years. In some previous years, the combined ending balance in the Capital Projects Funds has been negative, as capital spending occurs prior to bonds being issued by the Commonwealth. At the end of FY11, the Capital Projects Funds had a \$199 million positive balance, due primarily to lower than projected capital spending. Where the balance in the Capital Projects Funds is positive, prior to allocating bond proceeds to capital spending the funds contain designated reserves or escrows where the Commonwealth is able to legally arbitrage revenues consistent with the provisions of the existing tax code.

The Capital Projects Funds – Operations table on page 14 includes the FY11 Capital Projects Funds, summarized and compared to FY10. Financial statements for each of the individual funds are included in the financial section of this report. This year’s Capital Projects Funds presentation includes MassDOT’s Central Artery Statewide Road and Bridge Infrastructure Fund, which in the FY10 SBFR had part of its activity shown in a separate MassDOT section.

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

During FY11, significant capital spending included:

- \$290 million in bridge repair projects under the Accelerated Bridge Program. By the end of FY11, the Program had completed 51 projects, with 76 under construction and another 69 in design;
- \$155 million in Chapter 90 municipal road and bridge projects;
- \$95 million to fund the final stages of construction of a new psychiatric facility in Worcester;
- \$56 million invested in the construction phase of three new court projects;
- \$10 million spent for the Broadband Initiative, which invests capital funds to promote broadband expansion to unserved and underserved areas of Massachusetts;
- \$45 million for open-space land protection;
- \$150 million in capital repairs to public housing, of which \$60 million were ARRA funds specifically for weatherization projects;
- \$73.6 million invested in science and technology projects on several state university and University of Massachusetts campuses.

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

During the fiscal year, the Commonwealth passed or agreed to terms to over approximately \$75 million in bond authorizations. There were no de-authorizations of previously issued capital appropriations in FY11. The Commonwealth will determine the timing and extent of capital spending and bonding as part of its five year capital plan.

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

	<u>2010*</u>	<u>2011</u>
Beginning fund balance (deficit) (restated).....	\$ 144,559	\$ (182,560)
Revenues and other sources:		
Federal grants and reimbursements.....	18,051	168,912
Departmental and miscellaneous.....	23,665	697
Proceeds of general and special obligation bonds.....	1,671,683	2,305,638
Proceeds of refunding bonds.....	2,544,103	540,200
Transfer for federal reimbursements.....	610,061	458,410
Transfers and other sources.....	<u>261,663</u>	<u>57,856</u>
Total revenues and other sources.....	<u>5,129,226</u>	<u>3,531,713</u>
Expenditures and other uses:		
Acquisition and maintenance of capital assets.....	2,531,591	2,503,311
Payments to refunded bond escrow.....	2,619,322	540,200
Equity Transfer to MassDOT.....	110,348	-
Transfers and other uses.....	<u>195,084</u>	<u>106,404</u>
Total expenditures and other uses.....	<u>5,456,345</u>	<u>3,149,915</u>
Excess (deficiency) of revenues and other sources over expenditures and uses.....	<u>(327,119)</u>	<u>381,798</u>
Ending fund balance (deficit).....	<u>\$ (182,560)</u>	<u>\$ 199,238</u>

\* FY10 activity was restated to include operations of three MassDOT funds as reported on MMARS

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

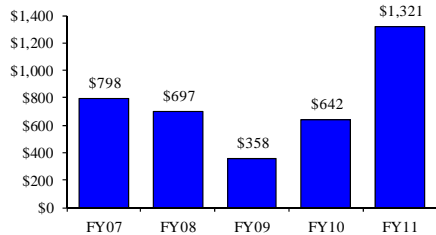
The statistical section of this SBFR includes the financial operations of the non-appropriated funds of the 25 institutions of higher education as reported on MMARS. Each institution of higher education is authorized and directed in its enabling statute to collect, retain and expend certain fees, rents,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

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

	2010	2011
Beginning fund balance (restated).....	\$ 357,896	\$ 1,198,102 *
Revenues and other sources:		
Federal grants and reimbursements.....	547,793	627,346
Departmental revenues.....	1,532,550	1,695,310
Transfers and other sources .....	1,643,441	1,618,646
Total revenues and other sources.....	3,723,784	3,941,302
Expenditures and other uses:		
Programs and services.....	3,439,162	3,818,134
Total expenditures and uses.....	3,439,162	3,818,134
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	284,622	123,168
Ending fund balance.....	\$ 642,518	\$ 1,321,270

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

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



The Non-Appropriated Funds of Higher Education – Operations table includes the FY11 activity in Higher Education funds, summarized and compared to FY10. Financial statements for each of the individual funds are included in the statistical section of this report. The graph Non-Appropriated Funds of Higher Education – Fund Balance shows the combined fund balance for the past five years. The combined balance represents an approximate \$767.6 million fund balance for the University of Massachusetts, an approximate \$281.3 million fund balance for the State University (formerly the State College) system and approximate \$272.3 million fund balance for the Community Colleges.

As we close the books for FY11, I again would like to express my thanks to the many dedicated employees within the Office of the Comptroller. I am proud to have all the employees of the Comptroller’s Office on my team to help tackle these and other difficult issues as we prepare for the year ahead.

Respectfully submitted,

Martin J. Benison  
Comptroller of the Commonwealth

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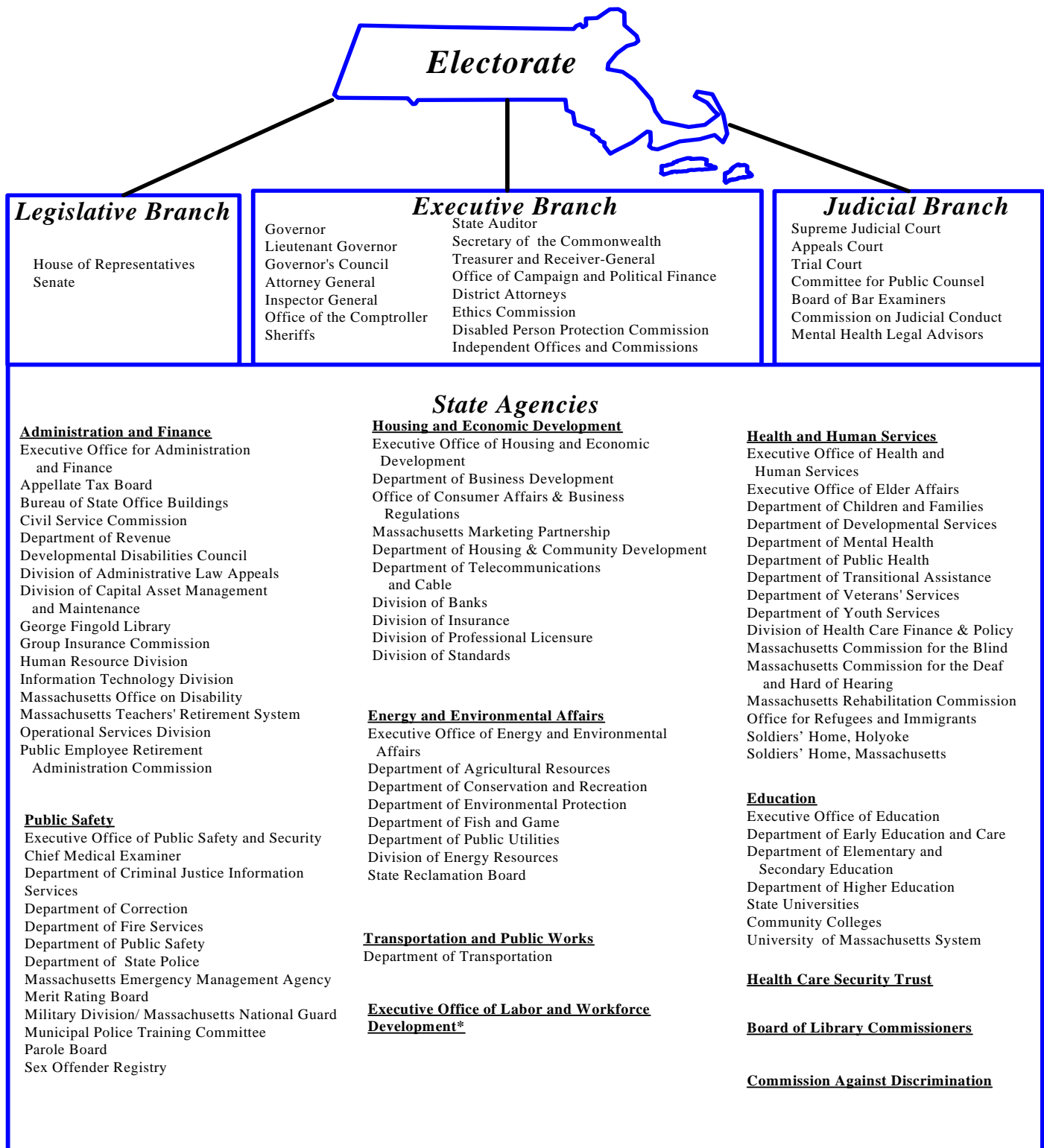
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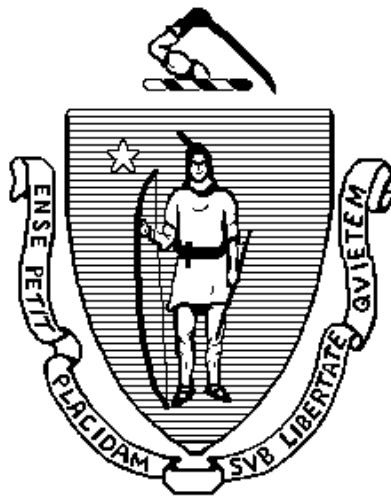
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*Chief Justice, Supreme Judicial Court*

Phillip Rapoza  
*Chief Justice, Appeals Court*

Robert A. Mulligan  
*Chief Justice for Administration and Management, Trial Court*



*\* Merger of 4 former state departments (Department of Labor, Department of Workforce Development, Division of Industrial Accidents and Division of Labor Relations) with the Executive Office of Labor and Workforce Development per Chapter 3 effective 3/11/11 but transitioned on 7/1/11*



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**REPORT PREPARED BY:**

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*Deputy Comptroller*

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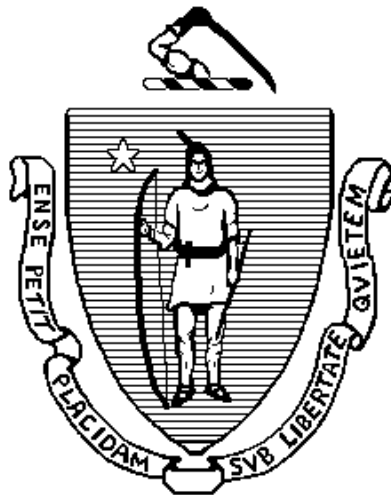
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# *Financial Section*



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



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

## **Independent Accountants' Review Report**

Mr. Martin J. Benison, Comptroller  
Commonwealth of Massachusetts

We have reviewed the accompanying combined financial statements – statutory basis of the Commonwealth of Massachusetts as of and for the year ended June 30, 2011, as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquires of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the combined financial statements – statutory basis as a whole. Accordingly, we do not express such an opinion.

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

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

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

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

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



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

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

KPMG LLP

November 2, 2011

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# *Combined Financial Statements - Statutory Basis*

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

June 30, 2011  
(Amounts in thousands)

	Totals (Memorandum only)	
	2011	2010
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 1,803,282	\$ 735,177
Cash with fiscal agent.....	19,239	10,847
Investments.....	255,903	254,681
Receivables, net of allowance for uncollectibles:		
Due from federal government.....	481,297	586,379
Other receivables.....	21,104	25,299
Due from cities and towns.....	7,780	3,391
Total assets.....	\$ 2,588,605	\$ 1,615,774
<b>LIABILITIES AND FUND EQUITY</b>		
Liabilities:		
Accounts payable.....	\$ 551,464	\$ 596,670
Accrued payroll.....	136,322	116,036
Total liabilities.....	687,786	712,706
Fund equity:		
Combined fund balance:		
Reserved for:		
Continuing appropriations.....	380,822	111,112
Commonwealth Stabilization.....	1,379,071	669,803
Debt service.....	19,239	10,847
Unreserved:		
Undesignated.....	121,687	111,306
Total fund equity.....	1,900,819	903,068
Total liabilities fund equity.....	\$ 2,588,605	\$ 1,615,774

See accompanying notes to financial statements and accountants' review report



**Budgeted Funds**

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

Fiscal Year Ended June 30, 2011  
(Amounts in thousands)

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES AND OTHER FINANCING SOURCES</b>			
Revenues:			
Taxes.....	\$ 17,686,510	\$ 19,094,935	\$ 1,408,425
Assessments.....	-	443,403	443,403
Federal grants and reimbursements.....	9,034,600	9,299,546	264,946
Departmental.....	2,805,400	2,398,338	(407,062)
Miscellaneous.....	5,900	356,608	350,708
<b>Total revenues.....</b>	<b>29,532,410</b>	<b>31,592,830</b>	<b>2,060,420</b>
Other financing sources:			
Fringe benefit cost recovery.....	-	355,811	355,811
Lottery reimbursements.....	105,298	86,391	(18,907)
Lottery distributions.....	904,344	881,817	(22,527)
Operating transfers in.....	613,828	288,239	(325,589)
Stabilization transfer.....	5,900	707,649	701,749
Tobacco settlement transfer.....	329,930	248,741	(81,189)
Excess permissible tax revenue.....	-	2,374,788	2,374,788
<b>Total other financing sources.....</b>	<b>1,959,300</b>	<b>4,943,436</b>	<b>2,984,136</b>
<b>Total revenues and other financing sources.....</b>	<b>31,491,710</b>	<b>36,536,266</b>	<b>5,044,556</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>			
Expenditures:			
Legislature.....	60,908	57,895	3,013
Judiciary.....	800,151	767,635	32,516
Inspector General.....	3,587	2,798	789
Governor and Lieutenant Governor.....	5,226	5,122	104
Secretary of the Commonwealth.....	40,443	39,475	968
Treasurer and Receiver-General.....	260,969	204,397	56,572
Auditor of the Commonwealth.....	17,903	17,015	888
Attorney General.....	42,453	41,029	1,424
Ethics Commission.....	1,731	1,660	71
District Attorney.....	94,610	93,699	911
Office of Campaign & Political Finance.....	1,222	1,170	52
Sheriff's Departments.....	510,577	503,053	7,524
Disabled Persons Protection Commission.....	2,174	2,174	-
Board of Library Commissioners.....	21,461	21,439	22
Comptroller.....	11,279	11,245	34
Administration and finance.....	2,087,960	1,800,623	287,337
Energy and environmental affairs.....	199,666	188,114	11,552
Health and human services.....	4,817,696	4,691,213	126,483
Massachusetts department of transportation.....	160,000	160,000	-
Executive office of education.....	1,825,548	1,807,528	18,020
Public safety and homeland security.....	987,163	942,172	44,991
Housing and economic development.....	379,239	363,877	15,362
Labor and workforce development.....	93,881	56,533	37,348
Direct local aid.....	4,853,108	4,784,717	68,391
Medicaid.....	10,269,881	10,237,326	32,555
Post employment benefits.....	1,838,857	1,838,857	-
Debt service:			
Principal retirement.....	847,187	815,390	31,797
Interest and fiscal charges.....	953,780	848,486	105,294
<b>Total expenditures.....</b>	<b>31,188,660</b>	<b>30,304,642</b>	<b>884,018</b>
Other financing uses:			
Fringe benefit cost assessment.....	2,300	4,326	(2,026)
Operating transfers out.....	370,972	521,997	(151,025)
Stabilization transfer.....	5,900	707,649	(701,749)
Commonwealth care trust transfer.....	739,012	739,012	-
Medical assistance transfer.....	886,101	886,101	-
Excess permissible tax revenue.....	-	2,374,788	(2,374,788)
<b>Total other financing uses.....</b>	<b>2,004,285</b>	<b>5,233,873</b>	<b>(3,229,588)</b>
<b>Total expenditures and other financing uses.....</b>	<b>33,192,945</b>	<b>35,538,515</b>	<b>(2,345,570)</b>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	(1,701,235)	997,751	2,698,986
Fund balance (deficit) at beginning of year.....	903,068	903,068	-
<b>Fund balance (deficit) at end of year.....</b>	<b>\$ (798,167)</b>	<b>\$ 1,900,819</b>	<b>\$ 2,698,986</b>

See accompanying notes to financial statements and accountants' review report

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

Fiscal Year Ended June 30, 2011

(Amounts in thousands)

	Non-Budgeted Special Revenue	Capital Projects	Totals (Memorandum only)	
			2011	2010
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ 1,680,656	\$ -	\$ 1,680,656	\$ 1,621,109
Assessments.....	517,048	-	517,048	572,585
Federal grants and reimbursements.....	3,779,789	168,912	3,948,701	3,958,613
Tobacco settlement revenue.....	248,741	-	248,741	289,298
Departmental.....	5,496,462	810	5,497,272	5,147,800
Miscellaneous.....	90,639	(113)	90,526	192,877
Total revenues.....	<u>11,813,335</u>	<u>169,609</u>	<u>11,982,944</u>	<u>11,782,282</u>
Other financing sources:				
Proceeds of general obligation bonds.....	-	1,633,051	1,633,051	1,671,683
Proceeds of special obligation bonds.....	-	672,587	672,587	-
Proceeds of refunding bonds.....	406,453	540,200	946,653	2,544,103
Operating transfers in.....	503,342	47	503,389	540,970
Commonwealth care trust transfer.....	739,012	-	739,012	636,685
Health safety net trust transfer.....	30,000	-	30,000	-
Medical assistance transfer.....	886,101	-	886,101	313,295
Federal reimbursement transfer in.....	-	458,410	458,410	610,061
State share of federal highway construction.....	-	57,809	57,809	175,782
Transfer in from Massachusetts department of transportation.....	-	-	-	1,712
Total other financing sources.....	<u>2,564,908</u>	<u>3,362,104</u>	<u>5,927,012</u>	<u>6,494,291</u>
Total revenues and other financing sources.....	<u>14,378,243</u>	<u>3,531,713</u>	<u>17,909,956</u>	<u>18,276,573</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Judiciary.....	1,257	18,950	20,207	21,273
Inspector General.....	281	-	281	947
Governor and Lieutenant Governor.....	98	-	98	-
Secretary of the Commonwealth.....	5,238	1,533	6,791	5,726
Treasurer and Receiver-General.....	5,395,164	10,646	5,405,810	5,307,124
Attorney General.....	8,547	1,460	10,007	12,171
District Attorney.....	3,330	-	3,330	2,899
Office of Campaign & Political Finance.....	1,390	-	1,390	-
Sheriff's Departments.....	7,008	1,305	8,313	7,354
Disabled Persons Protection Commission.....	106	-	106	251
Board of Library Commissioners.....	3,229	9,066	12,295	9,018
Comptroller.....	2,067	1,149	3,216	4,515
Administration and finance.....	128,690	526,258	654,948	547,373
Energy and environmental affairs.....	143,938	149,595	293,533	326,611
Health and human services.....	2,750,463	24,475	2,774,938	2,037,838
Massachusetts department of transportation.....	648,957	1,468,695	2,117,652	2,133,962
Executive office of education.....	1,399,350	17,880	1,417,230	1,468,406
Public safety and homeland security.....	197,631	32,047	229,678	232,440
Housing and economic development.....	693,014	225,417	918,431	885,984
Labor and workforce development.....	364,172	7,735	371,907	361,035
Debt service:				
Principal retirement.....	380,395	-	380,395	159,912
Interest and fiscal charges.....	76,402	7,080	83,482	96,955
Total expenditures.....	<u>12,210,727</u>	<u>2,503,311</u>	<u>14,714,038</u>	<u>13,621,794</u>
Other financing uses:				
Payments to refunded bond escrow agent.....	-	540,200	540,200	2,619,322
Fringe benefit cost assessment.....	132,188	47,982	180,170	124,276
Lottery operating reimbursements.....	86,391	-	86,391	88,938
Lottery distributions.....	881,817	-	881,817	893,806
Operating transfers out.....	159,285	613	159,898	310,374
Tobacco settlement transfer.....	248,741	-	248,741	263,678
Commonwealth care transfer.....	-	-	-	5,000
Health safety net trust transfer.....	30,000	-	30,000	-
Federal reimbursement transfer out.....	458,410	-	458,410	610,061
State share of federal highway construction.....	-	57,809	57,809	175,782
Equity transfer to Massachusetts department of transportation.....	-	-	-	467,397
Total other financing uses.....	<u>1,996,832</u>	<u>646,604</u>	<u>2,643,436</u>	<u>5,558,634</u>
Total expenditures and other financing uses.....	<u>14,207,559</u>	<u>3,149,915</u>	<u>17,357,474</u>	<u>19,180,428</u>
Excess (deficiency) of revenues and other financing sources				
over / (under) expenditures and other financing uses.....	170,684	381,798	552,482	(903,855)
Fund balance (deficit) at beginning of year (restated).....	1,813,232	(182,560)	1,630,672	2,534,527
Fund balance (deficit) at end of year.....	<u>\$ 1,983,916</u>	<u>\$ 199,238</u>	<u>\$ 2,183,154</u>	<u>\$ 1,630,672</u>

See accompanying notes to financial statements and accountants' review report

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**1. FINANCIAL STATEMENT PRESENTATION**

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**A. Introduction**

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

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

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

**B. Statutory Basis**

The Commonwealth reports its statutory basis financial position and results of operations in funds. The operations of each fund are accounted for with a set of self-balancing accounts that comprise its assets and liabilities for Budgeted Funds and fund balances, and revenues and expenditures for non-budgeted special revenue and capital projects funds. Transactions between funds within a fund type, if any, have not been eliminated.

**C. Governmental Fund Types**

The Fund types are organized as follows:

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

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

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

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

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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**A. *Statutory Basis of Accounting***

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

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

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

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

**B. *Cash, Short-term Investments and Investments***

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

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

For a complete copy of MMDT's separately issued financial statements, please feel free to contact the Trust's investment adviser at 800-392-6095, or James MacDonald, Deputy Assistant Treasurer, Cash Management Department, at 617-367-6900.

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

**C. *Dedicated Revenue and Pledges***

The Commonwealth has a number of pledges of revenue streams for its own bonds and various other bond issues of other authorities. These other authorities' debts are not included in the SBFR, but are included in the CAFR.

Approximately \$3.1 billion in revenues from federal grants passed through the Federal Grants Fund in FY11 and represents the greatest source of dedicated revenues. A portion of these grants is dedicated to funding the principal portion only of federal grant anticipation notes issued in fiscal 1998, 1999, 2001, 2011 and refunding notes in fiscal 2003 and fiscal 2011. In FY11, the Commonwealth issued grant anticipation notes totaling \$480.5 million – \$100 million for new-money needs under the Commonwealth's Accelerated Bridge Program, and \$380.5 million to refund previously issued debt. The Commonwealth intends to begin repayments of the principal of the new-money notes beginning in fiscal 2016, after the original and refunded federal grant anticipation notes have been paid in full. As of June 30, 2011, total principal remaining to be paid on federal grant anticipation notes (GANs) is approximately \$767 million. Maturities are from FY12 through FY23. Principal paid during FY11 was approximately \$153 million.

During FY11, the Commonwealth issued \$576 million in special obligation bonds for highway construction purposes under the Commonwealth's Accelerated Bridge Program, secured by Commonwealth motor fuels taxes and Registry of Motor Vehicle fees. The new bonds are secured by a senior lien on 14.085 cents of the total 21 cent per gallon gasoline tax, the full 21 cents per gallon of special fuels taxes (comprised primarily of taxes on diesel fuel), the full 19.1% of the average price per gallon tax on liquefied natural gas, and all Registry of Motor vehicle fees deposited in the Commonwealth Transportation Fund. The bonds also have a subordinate lien on 6.86 cents of the 21 cent per gallon gasoline tax not included in the senior lien. These new bonds were issued under the federal Build America Bonds program, whereby states are reimbursed by the federal government for 35% of the bonds' interest costs. A portion of the bonds, \$156.4 million, was also designated as Recovery Zone Economic Development Bonds, which entitles the Commonwealth to receive a 45% subsidy from the federal government. As of June 30, 2011, approximately \$576 million in principal was outstanding on these bonds and approximately \$459 million of interest (net of the federal subsidy) was expected to be paid through maturity. The bonds mature from FY24 to FY40.

Other special obligation bonds for highway construction purposes issued prior to FY11 are secured by a pledge of 6.86 cents of the 21 cents per gallon gasoline tax. As of June 30, 2011, this pledge funds approximately \$377 million of principal and approximately \$111 million in interest on the outstanding debt. These bonds mature from FY12 to FY23 and were sold in various series issued prior to FY11. Principal and interest paid during FY11 amounted to approximately \$37 million and \$22 million, respectively.

Portions of Commonwealth sales taxes are pledged as security for bonds issued by the Massachusetts Bay Transportation Authority (MBTA) and the Massachusetts School Building Authority (MSBA). The MBTA receives sales tax revenues equal to 1% of applicable sales, subject to an annual floor set in statute. In FY11, total dedicated sales tax revenue that was directed to the MBTA was approximately \$767 million, \$112 million more than would have been the case were the dedicated revenue equal to 1% of applicable sales. As a result, in FY11 the MBTA received from the Commonwealth sales tax revenues equal to 1.17% of applicable sales, and is expected to receive approximately this percentage of applicable sales for the foreseeable future. Dedicated revenues to the MBTA increase by the greater of the annual rise in the Boston consumer price index or annual sales taxes, with a floor of 0% and a ceiling of 3%.

The MSBA also receives a pledge of sales tax that, starting in FY11, increased to 1% of applicable sales in the Commonwealth but with no annual floor or ceiling. In FY11, approximately \$655 million of the dedicated sales tax revenue stream was directed to the MSBA.

The Commonwealth has also pledged sales tax revenue and rooms tax surcharges from areas contiguous to convention centers and the Worcester DCU Arena and Convention Center to support such centers' operations. As of June 30, 2011, taxes within the Convention Center districts support approximately \$639 million of outstanding principal and approximately \$526 million of interest on debts related to these Convention Centers. Taxes collected in FY11 were approximately \$84.9 million, while debt service on the bonds was approximately \$35.4 million.

Finally, as part of the Transportation Modernization Act of 2009, as amended, a further pledge of sales taxes was made. Beginning in FY11, 0.385% of applicable sales and uses on a total tangible property tax rate of 6.25% is dedicated to funding the operations of MassDOT through the Commonwealth Transportation Fund. The Act has a floor amount of \$275 million, with a final transfer occurring on or before September 1<sup>st</sup> of the following fiscal year. In FY11, approximately \$302 million in sales tax revenue was transferred to MassDOT, \$27 million more than the \$275 million minimum. From the Commonwealth Transportation Fund, \$160 million was dedicated to funding the operations of the MBTA while an additional \$15 million was dedicated to funding the operations of the regional transit authorities. These amounts are transferred through the Commonwealth Transportation Fund.

During the course of its operations, the Commonwealth records transactions between funds and/or between departments. On the statutory basis, transactions between Governmental and Fiduciary Fund Types are recorded as adjustments to the funds' cash accounts. As a result, a fund may report a deficiency in cash and short-term investments.

**D. *Interfund / Intrafund Transactions***

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

Transfers in and out net to approximately \$1,938,000 due to higher education non-appropriated fund activity, which is not included in the combined statements – statutory basis.

**E. *Current Employee Benefits***

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

**F. *Fringe Benefit Cost Recovery***

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

Since these fringe benefit costs and pensions are not appropriated in the budget, the required assessment creates a variance between budget and actual expenditures at year-end. The fringe benefit cost recoveries of approximately

\$355.8 million into the General Fund funds result from cost assessments of approximately \$184.4 million from the other budgeted funds, non-budgeted special revenue funds and capital funds. The remainder of approximately \$171.4 million was assessed to the non-appropriated activities of higher education, expendable trust and agency funds.

**G. Lottery Revenue and Prizes**

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

**H. Receivables**

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

**I. Due from Cities and Towns**

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

**J. Risk Management**

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

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

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

**K. Encumbrances**

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

**L. Fund Balances**

Fund balance has been reserved as follows:

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

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



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

“Undesignated” – consist of cumulative surplus or deficits of the fund not otherwise designated.

**M. *Total Column –  
Memorandum Only***

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

The financial statements include certain prior year summarized comparative information in total but not by fund. Such information does not include sufficient detail to constitute a full comparative presentation. Accordingly, such information should be read in conjunction with the Commonwealth’s financial statements for the year ended June 30, 2010, from which the summarized information was derived.

**N. *Estimates***

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

**O. *Reclassification***

Certain reclassifications have been made to the 2010 balances to conform to the presentation used in 2011.

**3. BUDGETARY CONTROL**

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

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

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

The majority of the Commonwealth’s appropriations are non-continuing accounts which lapse at the end of each fiscal year. Others are continuing accounts for which the Legislature has authorized that an unspent balance from

the prior year be carried forward and made available for spending in the current fiscal year. In addition, the Legislature may direct that certain revenues be retained and made available for spending within an appropriation. Fringe benefits, pension costs, and certain other costs which are mandated by state finance law are not itemized in the appropriation process and are not separately budgeted.

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

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

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

The following table summarizes budgetary activity for FY11 (amounts in thousands):

	<u>Revenues</u>	<u>Expenditures</u>
General Appropriation Act, Chapter 131 of the Acts of 2010:		
Direct appropriations.....	\$ 30,041,700	\$ 28,992,717
Estimated revenues, transfers, direct appropriations, retained revenue appropriations, interagency chargebacks and appropriations carried forward from FY2010 .....	-	1,106,655
Total original budget.....	30,041,700	30,099,371
Supplemental Acts of 2010:		
Chapter 359.....	-	713,554
Chapter 409.....	-	333,181
Supplemental Acts of 2011:		
Chapter 9.....	-	325,222
Chapter 27.....	-	85,460
Chapter 52.....	-	54,032
Total as of June 30, 2011 .....	30,041,700	31,610,820
Supplemental Acts of 2011, passed after June 30:		
Chapter 142.....	-	132,115
Total budgeted revenues and expenditures per Legislative action.....	30,041,700	31,742,935
Plus: Pension contributions and revenue authorized outside of General Appropriations Act, and other transfers of revenue and spending.....	1,450,010	1,450,010
Budgeted revenues and expenditures as reported.....	<u>\$ 31,491,710</u>	<u>\$ 33,192,945</u>

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

	Revenues and Other Financing Sources	Expenditures and Other Financing Uses
Actual as presented in the combined budget and actual statement - statutory basis.....	\$ 36,536,266	\$ 35,538,515
Adjustments to revenues and expenditures		
Transfer of revenues to the Intragovernmental Service Fund .....	(286,079)	(286,079)
Adjustments to other financing sources and uses:		
Fringe benefit cost assessments.....	(4,326)	(4,326)
Transfer of expenditures from the Intragovernmental Service Fund to the General Fund.....	(3,073)	(3,073)
RMV license plates.....	(3,002)	(3,002)
Transfers from Stabilization Fund to General Fund.....	(9,044)	(9,044)
Transfers from Budgeted Funds to Stabilization Fund.....	(350,000)	(350,000)
Year end Stabilization Fund transfer.....	(348,605)	(348,605)
Excess Permissible Tax Revenue transfer from General Fund to Temporary Holding Fund.....	(1,187,394)	(1,187,394)
Year-End Excess Permissible Tax Revenue transfer from Temporary Holding Fund to Stabilization Fund and General Fund.....	(1,187,394)	(1,187,394)
Other fund deficit support.....	(64,732)	(64,732)
Build America Bonds transfer.....	(5,405)	(5,405)
Transfers to fund Local Aid payment.....	(11,705)	(11,705)
Other .....	(174)	(174)
Actual as presented on budgetary documents.....	<u>\$ 33,075,333</u>	<u>\$ 32,077,582</u>

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

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

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

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

MassDOT financial activity is included in this report in order to reflect all activity reported on the Commonwealth’s MMARS accounting system. For this Statutory Basis Financial Report, MassDOT is treated as an agency or department of the Commonwealth, as specified in Massachusetts General Laws. However, for GAAP reporting purposes, as reflected in the Commonwealth’s Comprehensive Financial Report (CAFR) MassDOT will be included as a component unit of the Commonwealth along with the MBTA and the Regional Transit Authorities.

**5. INDIVIDUAL FUND DEFICITS**

The following Non-Budgeted Special Revenue and Capital Projects Funds are included in the combined totals and have individual fund deficits at June 30, 2011, as follows (amounts in thousands) (excludes MassDOT):

Non-Budgeted Special Revenue:

Universal Health:	
Medical Security Trust Fund.....	(80,682)
Other:	
Government Land Bank Fund.....	(35,033)
Total Non - Budgeted Funds.....	<u>(115,715)</u>

Capital Projects:

Capital Improvement and Investment Trust Fund.....	(121)
Federal Highway Construction Program Capital Projects Fund.....	(386)
Government Land Bank Capital Projects Fund.....	(855)
Total Capital Projects Funds.....	<u>(1,362)</u>

Total .....	<u>\$ (117,077)</u>
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Transfers and the cash defeasance of debt which occurred in FY11 were not included as appropriations in the General Appropriation Act. Therefore, no action is necessary to cure those deficits. None of the funds detailed above were in deficit due to finance-related contractual provisions and all were allowed to be in deficit by General Law.

**6. MEDICAID COSTS**

The Commonwealth’s Medicaid program, called MassHealth, provides health care to low-income children and families, certain low-income adults, disabled individuals and low-income elders. The program, administered by the Office of Medicaid within the Executive Office of Health and Human Services, typically receives 50% in federal reimbursement on most expenditures. In FY09 and FY10, as part of the American Recovery and Reinvestment Act (ARRA), the federal reimbursement rate under Medicaid’s Federal Medical Assistance Program (FMAP) was increased to 61.59%. For FY11 less funding was available due to a decrease in the average reimbursement rate to 59.70% (a 61.59% reimbursement rate in the first half of FY11, a 58.77% reimbursement rate in the third quarter of FY11, and a 56.88% reimbursement rate in the fourth quarter of FY11) This rate decrease was effective through June 30, 2011, and reverted to the standard 50% reimbursement rate after that date. Beginning in fiscal 1999, payments for some children’s benefits became 65% federally reimbursable under the State Children’s Health Insurance Program (SCHIP).

Approximately 38.6% of the Commonwealth’s budgeted fund spending for programs and services is devoted to Medicaid. It is the largest and has been one of the fastest growing items in the Commonwealth’s budget. For the fiscal year ended June 30, 2011, the General Fund includes approximately \$10.2 billion in expenditures for Medicaid claims. The combined financial statements – statutory basis include Medicaid claims processed but unpaid at June 30, 2011 of approximately \$14.9 million as accounts payable.

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



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# *Individual Budgeted Funds*

## **MAJOR BUDGETED FUNDS:**

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

*Commonwealth Transportation Fund* – to account for certain revenues of the newly created Massachusetts Department of Transportation, particularly those relating to the use and operation of motor vehicles and trailers, except fees for interstate permitting, together with all contributions and assessments paid into the treasury of the Commonwealth by cities, towns or counties for maintaining, repairing, improving and constructing ways, all refunds and rebates made on account of expenditures on ways by the department, all fuel taxation and other monies received by the Commonwealth in satisfaction of claims by the Commonwealth for damage to highway safety signs, signals, guardrails, curbing and other highway related facilities. Spending is for debt service on general and special obligation debt formerly paid for by the Highway Fund, as well as for amounts, subject to appropriation, to fund the programs and services of the Massachusetts Department of Transportation. This fund also includes activity of the Infrastructure Fund, which was a sub fund of the Highway Fund.

*The Commonwealth Stabilization Fund* – to account for amounts calculated in accordance with state finance law and maintain a reserve to enhance the Commonwealth's fiscal stability. Per the FY2005 General Appropriation Act, tax revenues from certain lottery winners selling their stream of future winnings in exchange for current payments are recorded in this fund. The residual balance of the

Temporary Holding Fund is closed to the Stabilization Fund to the extent of expenditures from the Fund.

*Administrative Control Funds* – to account for the revenues generated by certain administrative functions of government, for which the Legislature has required that separate funds be established. These funds include:

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

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

## **BUDGETED ENVIRONMENTAL FUNDS:**

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

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

## **OTHER BUDGETED FUNDS:**

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

*Workforce Training Fund* - to account for revenues from an unemployment surcharge of .075% on taxable wages on employers; to provide grants to employers and labor groups to provide education and training to new and existing employees.

*Substance Abuse Prevention and Treatment Fund* – to account for sales tax revenues (non-dedicated) collected from the sale of alcoholic beverages under Chapter 64H; used for substance abuse treatment and prevention services. In November 2010, the sales tax on alcoholic beverages was repealed via referendum, effective January 1, 2011. As

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of that date, no monthly sales tax revenue has been deposited in the Substance Abuse Fund.

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

The following funds have been enacted in legislation but were inactive in FY11 and not presented in this report:

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

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

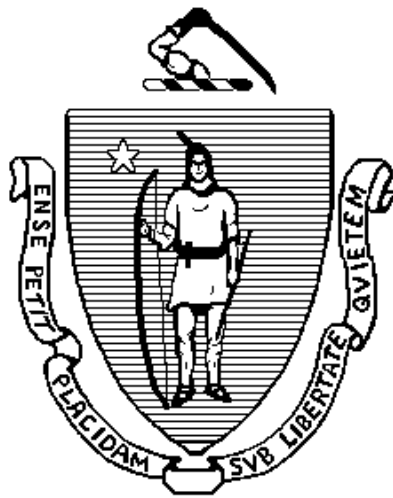
**Dam Safety Trust Fund** - to account for all receipts and revenues generated through agreements executed between the department of environmental management and public or private entities for dam safety purposes, and all fines, costs, expenses, and interest imposed.

**International Educational and Foreign Language Grant Program Fund** – to account for appropriations, bond proceeds or other monies authorized to be used by the Commissioner of Education to increase the number of Massachusetts students, teachers, administrators and education policymakers to support programs and activities that advance cultural awareness through grants to local and regional high schools to support international education programs and promote the study of foreign languages.

**Bay State Competitiveness Investment Fund** – to account for funds received as part of the calculation of consolidated net surplus for FY07 and available for appropriation in FY08. This fund expired on June 30, 2008.

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





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

June 30, 2011  
(Amounts in thousands)

	General	Commonwealth Transportation	Commonwealth Stabilization	Administrative Control	
				Temporary Holding	Intragovernmental Service
<b>ASSETS</b>					
Cash and short-term investments.....	\$ 590,074	\$ 24,603	\$ 1,123,168	\$ -	\$ 28,410
Cash with fiscal agent.....	-	19,239	-	-	-
Investments.....	-	-	255,903	-	-
Receivables, net of allowance for uncollectibles:					
Due from federal government.....	481,297	-	-	-	-
Other receivables.....	21,104	-	-	-	-
Due from cities and towns.....	7,780	-	-	-	-
Total assets.....	<u>\$ 1,100,255</u>	<u>\$ 43,842</u>	<u>\$ 1,379,071</u>	<u>\$ -</u>	<u>\$ 28,410</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable.....	\$ 524,629	\$ 4,411	\$ -	\$ -	\$ 21,325
Accrued payroll.....	124,729	8,272	-	-	2,968
Total liabilities.....	<u>649,358</u>	<u>12,683</u>	<u>-</u>	<u>-</u>	<u>24,293</u>
Fund balance:					
Reserved for:					
Continuing appropriations.....	366,985	-	-	-	4,117
Commonwealth Stabilization.....	-	-	1,379,071	-	-
Debt service.....	-	19,239	-	-	-
Unreserved:					
Undesignated.....	83,912	11,920	-	-	-
Total fund equity.....	<u>450,897</u>	<u>31,159</u>	<u>1,379,071</u>	<u>-</u>	<u>4,117</u>
Total liabilities and fund equity.....	<u>\$ 1,100,255</u>	<u>\$ 43,842</u>	<u>\$ 1,379,071</u>	<u>\$ -</u>	<u>\$ 28,410</u>

See accountants' review report

Environmental		Budgeted Other			Totals (Memorandum only)	
Inland Fisheries and Game	Marine Recreational Fisheries Development	Workforce Training	Substance Abuse Prevention & Treatment	Massachusetts Tourism	2011	2010
\$ 18,326	\$ 67	\$ 11,345	\$ -	\$ 7,289	\$ 1,803,282	\$ 735,177
-	-	-	-	-	19,239	10,847
-	-	-	-	-	255,903	254,681
-	-	-	-	-	481,297	586,379
-	-	-	-	-	21,104	25,299
-	-	-	-	-	7,780	3,391
<u>\$ 18,326</u>	<u>\$ 67</u>	<u>\$ 11,345</u>	<u>\$ -</u>	<u>\$ 7,289</u>	<u>\$ 2,588,605</u>	<u>\$ 1,615,774</u>
\$ 319	\$ 4	\$ 752	\$ -	\$ 24	\$ 551,464	\$ 596,670
198	-	118	-	37	136,322	116,036
<u>517</u>	<u>4</u>	<u>870</u>	<u>-</u>	<u>61</u>	<u>687,786</u>	<u>712,706</u>
-	-	9,720	-	-	380,822	111,112
-	-	-	-	-	1,379,071	669,803
-	-	-	-	-	19,239	10,847
17,809	63	755	-	7,228	121,687	111,306
<u>17,809</u>	<u>63</u>	<u>10,475</u>	<u>-</u>	<u>7,228</u>	<u>1,900,819</u>	<u>903,068</u>
<u>\$ 18,326</u>	<u>\$ 67</u>	<u>\$ 11,345</u>	<u>\$ -</u>	<u>\$ 7,289</u>	<u>\$ 2,588,605</u>	<u>\$ 1,615,774</u>

**Budgeted Funds**

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

Fiscal Year Ended June 30, 2011  
(Amounts in thousands)

	General	Commonwealth Transportation	Commonwealth Stabilization	Administrative Control	
				Temporary Holding	Intragovernmental Service
<b>REVENUES AND OTHER FINANCING SOURCES</b>					
Revenues:					
Taxes.....	\$ 18,028,165	\$ 962,090	\$ 1,619	\$ -	\$ -
Assessments.....	430,033	13,370	-	-	-
Federal grants and reimbursements.....	9,295,310	-	-	-	-
Departmental.....	1,607,910	485,839	-	-	296,666
Miscellaneous.....	347,511	32	9,044	-	-
Total revenues.....	<u>29,708,929</u>	<u>1,461,331</u>	<u>10,663</u>	<u>-</u>	<u>296,666</u>
Other financing sources:					
Fringe benefit cost recovery.....	355,811	-	-	-	-
Lottery reimbursements.....	86,391	-	-	-	-
Lottery distributions.....	881,817	-	-	-	-
Operating transfers in.....	217,928	5,405	-	-	36
Stabilization transfer.....	9,044	-	698,605	-	-
Commonwealth transportation transfer.....	-	-	-	-	-
Tobacco settlement transfer.....	248,741	-	-	-	-
Excess permissible tax revenue.....	1,178,350	-	9,044	1,187,394	-
Total other financing sources.....	<u>2,978,082</u>	<u>5,405</u>	<u>707,649</u>	<u>1,187,394</u>	<u>36</u>
Total revenues and other financing sources.....	<u>32,687,011</u>	<u>1,466,736</u>	<u>718,312</u>	<u>1,187,394</u>	<u>296,702</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>					
Expenditures:					
Legislature.....	57,895	-	-	-	-
Judiciary.....	767,635	-	-	-	-
Inspector General.....	2,798	-	-	-	-
Governor and Lieutenant Governor.....	5,046	-	-	-	59
Secretary of the Commonwealth.....	39,360	-	-	-	115
Treasurer and Receiver-General.....	204,397	-	-	-	-
Auditor of the Commonwealth.....	17,015	-	-	-	-
Attorney General.....	41,020	-	-	-	9
Ethics Commission.....	1,660	-	-	-	-
District Attorney.....	93,699	-	-	-	-
Office of Campaign & Political Finance.....	1,170	-	-	-	-
Sheriff's Departments.....	502,556	-	-	-	-
Disabled Persons Protection Commission.....	2,174	-	-	-	-
Board of Library Commissioners.....	21,439	-	-	-	-
Comptroller.....	7,739	-	-	-	3,506
Administration and finance.....	1,618,057	9,618	-	-	172,948
Energy and environmental affairs.....	175,477	-	-	-	2,528
Health and human services.....	4,516,250	-	-	-	76,366
Massachusetts department of transportation.....	-	160,000	-	-	-
Executive office of education.....	1,807,528	-	-	-	-
Public safety and homeland security.....	897,819	-	-	-	37,123
Housing and economic development.....	360,949	-	-	-	932
Labor and workforce development.....	37,236	-	-	-	16
Direct local aid.....	4,784,717	-	-	-	-
Medicaid.....	10,237,326	-	-	-	-
Post employment benefits.....	1,838,857	-	-	-	-
Debt service:					
Principal retirement.....	428,607	386,783	-	-	-
Interest and fiscal charges.....	431,507	416,979	-	-	-
Total expenditures.....	<u>28,899,933</u>	<u>973,380</u>	<u>-</u>	<u>-</u>	<u>293,602</u>
Other financing uses:					
Fringe benefit cost assessment.....	-	-	-	-	-
Operating transfers out.....	127,283	386,143	-	-	3,073
Stabilization transfer.....	553,044	86,901	9,044	-	-
Commonwealth transportation transfer.....	-	-	-	-	-
Commonwealth care transfer.....	739,012	-	-	-	-
Medical assistance transfer.....	886,101	-	-	-	-
Excess permissible tax revenue.....	1,187,394	-	-	1,187,394	-
Total other financing uses.....	<u>3,492,834</u>	<u>473,044</u>	<u>9,044</u>	<u>1,187,394</u>	<u>3,073</u>
Total expenditures and other financing uses.....	<u>32,392,767</u>	<u>1,446,424</u>	<u>9,044</u>	<u>1,187,394</u>	<u>296,675</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....					
	294,244	20,312	709,268	-	27
Fund balance (deficit) at beginning of year.....	156,653	10,847	669,803	-	4,090
Fund balance (deficit) at end of year.....	<u>\$ 450,897</u>	<u>\$ 31,159</u>	<u>\$ 1,379,071</u>	<u>\$ -</u>	<u>\$ 4,117</u>

See accountants' review report

					Totals (Memorandum only)	
Environmental		Budgeted Other				
Inland Fisheries and Game	Marine Recreational Fisheries Development	Workforce Training	Substance Abuse Prevention & Treatment	Massachusetts Tourism	2011	2010
\$ 871	\$ -	\$ 20,448	\$ 43,102	\$ 38,640	\$ 19,094,935	\$ 17,171,378
-	-	-	-	-	443,403	417,335
4,236	-	-	-	-	9,299,546	8,548,836
7,206	717	-	-	-	2,398,338	2,179,794
21	-	-	-	-	356,608	443,040
12,334	717	20,448	43,102	38,640	31,592,830	28,760,383
-	-	-	-	-	355,811	281,807
-	-	-	-	-	86,391	88,938
-	-	-	-	-	881,817	893,806
138	-	-	64,732	-	288,239	299,342
-	-	-	-	-	707,649	217,843
-	-	-	-	-	-	275,000
-	-	-	-	-	248,741	263,678
-	-	-	-	-	2,374,788	-
138	-	-	64,732	-	4,943,436	2,320,414
12,472	717	20,448	107,834	38,640	36,536,266	31,080,797
-	-	-	-	-	57,895	59,453
-	-	-	-	-	767,635	767,178
-	-	-	-	-	2,798	2,734
-	-	-	-	17	5,122	5,245
-	-	-	-	-	39,475	47,819
-	-	-	-	-	204,397	175,894
-	-	-	-	-	17,015	16,708
-	-	-	-	-	41,029	40,558
-	-	-	-	-	1,660	1,574
-	-	-	-	-	93,699	92,792
-	-	-	-	-	1,170	1,175
-	-	-	497	-	503,053	370,254
-	-	-	-	-	2,174	2,150
-	-	-	-	-	21,439	24,672
-	-	-	-	-	11,245	11,080
-	-	-	-	-	1,800,623	1,683,109
10,068	41	-	-	-	188,114	202,602
-	-	-	98,597	-	4,691,213	4,689,785
-	-	-	-	-	160,000	502,403
-	-	-	-	-	1,807,528	1,717,211
-	-	-	7,230	-	942,172	1,075,883
-	-	-	-	1,996	363,877	359,078
-	-	19,281	-	-	56,533	42,237
-	-	-	-	-	4,784,717	4,837,371
-	-	-	-	-	10,237,326	9,286,565
-	-	-	-	-	1,838,857	1,748,619
-	-	-	-	-	815,390	1,048,610
-	-	-	-	-	848,486	811,030
10,068	41	19,281	106,324	2,013	30,304,642	29,623,789
1,939	-	521	1,510	356	4,326	8,013
-	155	816	-	4,527	521,997	124,740
-	458	5,508	-	52,694	707,649	217,843
-	-	-	-	-	-	275,000
-	-	-	-	-	739,012	631,685
-	-	-	-	-	886,101	313,295
-	-	-	-	-	2,374,788	-
1,939	613	6,845	1,510	57,577	5,233,873	1,570,576
12,007	654	26,126	107,834	59,590	35,538,515	31,194,365
465	63	(5,678)	-	(20,950)	997,751	(113,568)
17,344	-	16,153	-	28,178	903,068	1,016,636
\$ 17,809	\$ 63	\$ 10,475	\$ -	\$ 7,228	\$ 1,900,819	\$ 903,068

## Budgeted Funds

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

Fiscal Year Ended June 30, 2011

(Amounts in thousands)

	General			Commonwealth Transportation		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES AND OTHER FINANCING SOURCES</b>						
Revenues:						
Taxes.....	\$ 16,562,110	\$ 18,028,165	\$ 1,466,055	\$ 959,500	\$ 962,090	\$ 2,590
Assessments.....	-	430,033	430,033	-	13,370	13,370
Federal grants and reimbursements.....	9,027,800	9,295,310	267,510	-	-	-
Departmental.....	2,297,100	1,607,910	(689,190)	501,100	485,839	(15,261)
Miscellaneous.....	-	347,511	347,511	-	32	32
<b>Total revenues.....</b>	<b>27,887,010</b>	<b>29,708,929</b>	<b>1,821,919</b>	<b>1,460,600</b>	<b>1,461,331</b>	<b>731</b>
Other financing sources:						
Fringe benefit cost recovery.....	-	355,811	355,811	-	-	-
Lottery reimbursements.....	105,298	86,391	(18,907)	-	-	-
Lottery distributions.....	904,344	881,817	(22,527)	-	-	-
Operating transfers in.....	613,728	217,928	(395,800)	-	5,405	5,405
Stabilization transfer.....	5,900	9,044	3,144	-	-	-
Tobacco settlement transfer.....	329,930	248,741	(81,189)	-	-	-
Excess permissible tax revenue.....	-	1,178,350	1,178,350	-	-	-
<b>Total other financing sources.....</b>	<b>1,959,200</b>	<b>2,978,082</b>	<b>1,018,882</b>	<b>-</b>	<b>5,405</b>	<b>5,405</b>
<b>Total revenues and other financing sources.....</b>	<b>29,846,210</b>	<b>32,687,011</b>	<b>2,840,801</b>	<b>1,460,600</b>	<b>1,466,736</b>	<b>6,136</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>						
Expenditures:						
Legislature.....	60,908	57,895	3,013	-	-	-
Judiciary.....	799,644	767,635	32,009	-	-	-
Inspector General.....	3,587	2,798	789	-	-	-
Governor and Lieutenant Governor.....	5,089	5,046	43	-	-	-
Secretary of the Commonwealth.....	40,327	39,360	967	-	-	-
Treasurer and Receiver-General.....	260,969	204,397	56,572	-	-	-
Auditor of the Commonwealth.....	17,903	17,015	888	-	-	-
Attorney General.....	42,433	41,020	1,413	-	-	-
Ethics Commission.....	1,731	1,660	71	-	-	-
District Attorney.....	94,610	93,699	911	-	-	-
Office of Campaign and Political Finance.....	1,222	1,170	52	-	-	-
Sheriff's Departments.....	510,070	502,556	7,514	-	-	-
Disabled Persons Protection Commission.....	2,174	2,174	-	-	-	-
Board of Library Commissioners.....	21,461	21,439	22	-	-	-
Comptroller.....	7,750	7,739	11	-	-	-
Administration and finance.....	1,857,283	1,618,057	239,226	9,625	9,618	7
Energy and environmental affairs.....	184,380	175,477	8,903	-	-	-
Health and human services.....	4,606,231	4,516,250	89,981	-	-	-
Massachusetts department of transportation.....	-	-	-	160,000	160,000	-
Executive office of education.....	1,823,691	1,807,528	16,163	-	-	-
Public safety and homeland security.....	928,957	897,819	31,138	-	-	-
Housing and economic development.....	373,551	360,949	12,602	-	-	-
Labor and workforce development.....	45,171	37,236	7,935	-	-	-
Direct local aid.....	4,853,108	4,784,717	68,391	-	-	-
Medicaid.....	10,269,881	10,237,326	32,555	-	-	-
Post employment benefits.....	1,838,857	1,838,857	-	-	-	-
Debt service:						
Principal retirement.....	442,025	428,607	13,418	405,162	386,783	18,379
Interest and fiscal charges.....	498,416	431,507	66,909	455,364	416,979	38,385
<b>Total expenditures.....</b>	<b>29,591,429</b>	<b>28,899,933</b>	<b>691,496</b>	<b>1,030,151</b>	<b>973,380</b>	<b>56,771</b>
Other financing uses:						
Fringe benefit cost assessment.....	-	-	-	-	-	-
Operating transfers out.....	-	127,283	(127,283)	370,972	386,143	(15,171)
Stabilization transfer.....	-	553,044	(553,044)	-	86,901	(86,901)
Commonwealth care transfer.....	739,012	739,012	-	-	-	-
Medical assistance transfer.....	886,101	886,101	-	-	-	-
Excess permissible tax revenue.....	-	1,187,394	(1,187,394)	-	-	-
<b>Total other financing uses.....</b>	<b>1,625,113</b>	<b>3,492,834</b>	<b>(1,867,721)</b>	<b>370,972</b>	<b>473,044</b>	<b>(102,072)</b>
<b>Total expenditures and other financing uses.....</b>	<b>31,216,542</b>	<b>32,392,767</b>	<b>(1,176,225)</b>	<b>1,401,123</b>	<b>1,446,424</b>	<b>(45,301)</b>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	(1,370,332)	294,244	1,664,576	59,477	20,312	(39,165)
Fund balances (deficit) at beginning of year.....	156,653	156,653	-	10,847	10,847	-
<b>Fund balances (deficit) at end of year.....</b>	<b>\$ (1,213,679)</b>	<b>\$ 450,897</b>	<b>\$ 1,664,576</b>	<b>\$ 70,324</b>	<b>\$ 31,159</b>	<b>\$ (39,165)</b>

See accountants' review report

Commonwealth Stabilization			Administrative Control					
			Temporary Holding			Intragovernmental Service		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ 1,619	\$ 1,619	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	296,666	296,666
5,900	9,044	3,144	-	-	-	-	-	-
5,900	10,663	4,763	-	-	-	-	296,666	296,666
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	36	36
-	698,605	698,605	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	9,044	9,044	-	1,187,394	1,187,394	-	-	-
-	707,649	707,649	-	1,187,394	1,187,394	-	36	36
5,900	718,312	712,412	-	1,187,394	1,187,394	-	296,702	296,702
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	507	-	507
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	120	59	61
-	-	-	-	-	-	116	115	1
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	20	9	11
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	3,529	3,506	23
-	-	-	-	-	-	221,052	172,948	48,104
-	-	-	-	-	-	4,503	2,528	1,975
-	-	-	-	-	-	112,282	76,366	35,916
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,857	-	1,857
-	-	-	-	-	-	50,975	37,123	13,852
-	-	-	-	-	-	3,650	932	2,718
-	-	-	-	-	-	17,708	16	17,692
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	416,319	293,602	122,717
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	3,073	(3,073)
5,900	9,044	(3,144)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	1,187,394	(1,187,394)	-	-	-
5,900	9,044	(3,144)	-	1,187,394	(1,187,394)	-	3,073	(3,073)
5,900	9,044	(3,144)	-	1,187,394	(1,187,394)	416,319	296,675	119,644
-	709,268	709,268	-	-	-	(416,319)	27	416,346
669,803	669,803	-	-	-	-	4,090	4,090	-
\$ 669,803	\$ 1,379,071	\$ 709,268	\$ -	\$ -	\$ -	\$ (412,229)	\$ 4,117	\$ 416,346

continued

## Budgeted Funds

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

Fiscal Year Ended June 30, 2011

(Amounts in thousands)

	Environmental					
	Inland Fisheries and Game			Marine Recreational Fisheries Development		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES AND OTHER FINANCING SOURCES</b>						
Revenues:						
Taxes.....	\$ 900	\$ 871	\$ (29)	\$ -	\$ -	\$ -
Assessments.....	-	-	-	-	-	-
Federal grants and reimbursements.....	6,800	4,236	(2,564)	-	-	-
Departmental.....	7,100	7,206	106	100	717	617
Miscellaneous.....	-	21	21	-	-	-
Total revenues.....	<u>14,800</u>	<u>12,334</u>	<u>(2,466)</u>	<u>100</u>	<u>717</u>	<u>617</u>
Other financing sources:						
Fringe benefit cost recovery.....	-	-	-	-	-	-
Lottery reimbursements.....	-	-	-	-	-	-
Lottery distributions.....	-	-	-	-	-	-
Operating transfers in.....	100	138	38	-	-	-
Stabilization transfer.....	-	-	-	-	-	-
Tobacco settlement transfer.....	-	-	-	-	-	-
Excess permissible tax revenue.....	-	-	-	-	-	-
Total other financing sources.....	<u>100</u>	<u>138</u>	<u>38</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>14,900</u>	<u>12,472</u>	<u>(2,428)</u>	<u>100</u>	<u>717</u>	<u>617</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>						
Expenditures:						
Legislature.....	-	-	-	-	-	-
Judiciary.....	-	-	-	-	-	-
Inspector General.....	-	-	-	-	-	-
Governor and Lieutenant Governor.....	-	-	-	-	-	-
Secretary of the Commonwealth.....	-	-	-	-	-	-
Treasurer and Receiver-General.....	-	-	-	-	-	-
Auditor of the Commonwealth.....	-	-	-	-	-	-
Attorney General.....	-	-	-	-	-	-
Ethics Commission.....	-	-	-	-	-	-
District Attorney.....	-	-	-	-	-	-
Office of Campaign and Political Finance.....	-	-	-	-	-	-
Sheriff's Departments.....	-	-	-	-	-	-
Disabled Persons Protection Commission.....	-	-	-	-	-	-
Board of Library Commissioners.....	-	-	-	-	-	-
Comptroller.....	-	-	-	-	-	-
Administration and finance.....	-	-	-	-	-	-
Energy and environmental affairs.....	10,681	10,068	613	102	41	61
Health and human services.....	-	-	-	-	-	-
Massachusetts department of transportation.....	-	-	-	-	-	-
Executive office of education.....	-	-	-	-	-	-
Public safety and homeland security.....	-	-	-	-	-	-
Housing and economic development.....	-	-	-	-	-	-
Labor and workforce development.....	-	-	-	-	-	-
Direct local aid.....	-	-	-	-	-	-
Medicaid.....	-	-	-	-	-	-
Post employment benefits.....	-	-	-	-	-	-
Debt service:						
Principal retirement.....	-	-	-	-	-	-
Interest and fiscal charges.....	-	-	-	-	-	-
Total expenditures.....	<u>10,681</u>	<u>10,068</u>	<u>613</u>	<u>102</u>	<u>41</u>	<u>61</u>
Other financing uses:						
Fringe benefit cost assessment.....	1,600	1,939	(339)	-	-	-
Operating transfers out.....	-	-	-	-	155	(155)
Stabilization transfer.....	-	-	-	-	458	(458)
Commonwealth care transfer.....	-	-	-	-	-	-
Medical assistance transfer.....	-	-	-	-	-	-
Excess permissible tax revenue.....	-	-	-	-	-	-
Total other financing uses.....	<u>1,600</u>	<u>1,939</u>	<u>(339)</u>	<u>-</u>	<u>613</u>	<u>(613)</u>
Total expenditures and other financing uses.....	<u>12,281</u>	<u>12,007</u>	<u>274</u>	<u>102</u>	<u>654</u>	<u>(552)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	2,619	465	(2,154)	(2)	63	65
Fund balances (deficit) at beginning of year.....	17,344	17,344	-	-	-	-
Fund balances (deficit) at end of year.....	<u>\$ 19,963</u>	<u>\$ 17,809</u>	<u>\$ (2,154)</u>	<u>\$ (2)</u>	<u>\$ 63</u>	<u>\$ 65</u>

See accountants' review report



Budgeted Other								
Workforce Training			Substance Abuse Prevention and Treatment			Massachusetts Tourism		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 21,000	\$ 20,448	\$ (552)	\$ 108,000	\$ 43,102	\$ (64,898)	\$ 35,000	\$ 38,640	\$ 3,640
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
21,000	20,448	(552)	108,000	43,102	(64,898)	35,000	38,640	3,640
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	64,732	64,732	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	64,732	64,732	-	-	-
21,000	20,448	(552)	108,000	107,834	(166)	35,000	38,640	3,640
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	17	17	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	507	497	10	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	99,183	98,597	586	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	7,231	7,230	1	-	-	-
31,002	19,281	11,721	-	-	-	2,038	1,996	42
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
31,002	19,281	11,721	106,921	106,324	597	2,055	2,013	42
400	521	(121)	-	1,510	(1,510)	300	356	(56)
-	816	(816)	-	-	-	-	4,527	(4,527)
-	5,508	(5,508)	-	-	-	-	52,694	(52,694)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
400	6,845	(6,445)	-	1,510	(1,510)	300	57,577	(57,277)
31,402	26,126	5,276	106,921	107,834	(913)	2,355	59,590	(57,235)
(10,402)	(5,678)	4,724	1,079	-	(1,079)	32,645	(20,950)	(53,595)
16,153	16,153	-	-	-	-	28,178	28,178	-
\$ 5,751	\$ 10,475	\$ 4,724	\$ 1,079	\$ -	\$ (1,079)	\$ 60,823	\$ 7,228	\$ (53,595)

continued

## Budgeted Funds

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

Fiscal Year Ended June 30, 2011

(Amounts in thousands)

	Totals		
	(Memorandum only)		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES AND OTHER FINANCING SOURCES</b>			
Revenues:			
Taxes.....	\$ 17,686,510	\$ 19,094,935	\$ 1,408,425
Assessments.....	-	443,403	443,403
Federal grants and reimbursements.....	9,034,600	9,299,546	264,946
Departmental.....	2,805,400	2,398,338	(407,062)
Miscellaneous.....	5,900	356,608	350,708
Total revenues.....	<u>29,532,410</u>	<u>31,592,830</u>	<u>2,060,420</u>
Other financing sources:			
Fringe benefit cost recovery.....	-	355,811	355,811
Lottery reimbursements.....	105,298	86,391	(18,907)
Lottery distributions.....	904,344	881,817	(22,527)
Operating transfers in.....	613,828	288,239	(325,589)
Stabilization transfer.....	5,900	707,649	701,749
Tobacco settlement transfer.....	329,930	248,741	(81,189)
Excess permissible tax revenue.....	-	2,374,788	2,374,788
Total other financing sources.....	<u>1,959,300</u>	<u>4,943,436</u>	<u>2,984,136</u>
Total revenues and other financing sources.....	<u>31,491,710</u>	<u>36,536,266</u>	<u>5,044,556</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>			
Expenditures:			
Legislature.....	60,908	57,895	3,013
Judiciary.....	800,151	767,635	32,516
Inspector General.....	3,587	2,798	789
Governor and Lieutenant Governor.....	5,226	5,122	104
Secretary of the Commonwealth.....	40,443	39,475	968
Treasurer and Receiver-General.....	260,969	204,397	56,572
Auditor of the Commonwealth.....	17,903	17,015	888
Attorney General.....	42,453	41,029	1,424
Ethics Commission.....	1,731	1,660	71
District Attorney.....	94,610	93,699	911
Office of Campaign and Political Finance.....	1,222	1,170	52
Sheriff's Departments.....	510,577	503,053	7,524
Disabled Persons Protection Commission.....	2,174	2,174	-
Board of Library Commissioners.....	21,461	21,439	22
Comptroller.....	11,279	11,245	34
Administration and finance.....	2,087,960	1,800,623	287,337
Energy and environmental affairs.....	199,666	188,114	11,552
Health and human services.....	4,817,696	4,691,213	126,483
Massachusetts department of transportation.....	160,000	160,000	-
Executive office of education.....	1,825,548	1,807,528	18,020
Public safety and homeland security.....	987,163	942,172	44,991
Housing and economic development.....	379,239	363,877	15,362
Labor and workforce development.....	93,881	56,533	37,348
Direct local aid.....	4,853,108	4,784,717	68,391
Medicaid.....	10,269,881	10,237,326	32,555
Post employment benefits.....	1,838,857	1,838,857	-
Debt service:			
Principal retirement.....	847,187	815,390	31,797
Interest and fiscal charges.....	953,780	848,486	105,294
Total expenditures.....	<u>31,188,660</u>	<u>30,304,642</u>	<u>884,018</u>
Other financing uses:			
Fringe benefit cost assessment.....	2,300	4,326	(2,026)
Operating transfers out.....	370,972	521,997	(151,025)
Stabilization transfer.....	5,900	707,649	(701,749)
Commonwealth care transfer.....	739,012	739,012	-
Medical assistance transfer.....	886,101	886,101	-
Excess permissible tax revenue.....	-	2,374,788	(2,374,788)
Total other financing uses.....	<u>2,004,285</u>	<u>5,233,873</u>	<u>(3,229,588)</u>
Total expenditures and other financing uses.....	<u>33,192,945</u>	<u>35,538,515</u>	<u>(2,345,570)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(1,701,235)	997,751	2,698,986
Fund balances (deficit) at beginning of year.....	903,068	903,068	-
Fund balances (deficit) at end of year.....	<u>\$ (798,167)</u>	<u>\$ 1,900,819</u>	<u>\$ 2,698,986</u>

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

June 30, 2011  
(Amounts in thousands)

	2011	2010
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 590,074	\$ 220,276
Receivables, net of allowance for uncollectibles:		
Due from federal government.....	481,297	586,379
Other receivables.....	21,104	25,299
Due from cities and towns.....	7,780	3,391
Total assets.....	\$ 1,100,255	\$ 835,345
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 524,629	\$ 573,233
Accrued payroll.....	124,729	105,459
Total liabilities.....	649,358	678,692
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	366,985	102,022
Unreserved fund balance:		
Undesignated.....	83,912	54,631
Total fund balance.....	450,897	156,653
Total liabilities and fund balance.....	\$ 1,100,255	\$ 835,345

See accountants' review report

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

Fiscal Year Ended June 30, 2011  
(Amounts in thousands)

	2011 Budget	2011 Actual	Variance Favorable (Unfavorable)	2010 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ 16,562,110	\$ 18,028,165	\$ 1,466,055	\$ 16,459,820
Assessments.....	-	430,033	430,033	403,276
Federal grants and reimbursements.....	9,027,800	9,295,310	267,510	8,541,886
Departmental.....	2,297,100	1,607,910	(689,190)	1,437,499
Miscellaneous.....	-	347,511	347,511	391,757
Total revenues.....	<u>27,887,010</u>	<u>29,708,929</u>	<u>1,821,919</u>	<u>27,234,238</u>
Other financing sources:				
Fringe benefit cost recovery.....	-	355,811	355,811	281,807
Lottery reimbursements.....	105,298	86,391	(18,907)	88,938
Lottery distributions.....	904,344	881,817	(22,527)	893,806
Operating transfers in.....	613,728	217,928	(395,800)	299,212
Stabilization transfer.....	5,900	9,044	3,144	206,574
Tobacco settlement transfer.....	329,930	248,741	(81,189)	263,678
Excess permissible tax revenue.....	-	1,178,350	1,178,350	-
Total other financing sources.....	<u>1,959,200</u>	<u>2,978,082</u>	<u>1,018,882</u>	<u>2,034,015</u>
Total revenues and other financing sources.....	<u>29,846,210</u>	<u>32,687,011</u>	<u>2,840,801</u>	<u>29,268,253</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Legislature.....	60,908	57,895	3,013	59,453
Judiciary.....	799,644	767,635	32,009	767,178
Inspector General.....	3,587	2,798	789	2,734
Governor and Lieutenant Governor.....	5,089	5,046	43	5,176
Secretary of the Commonwealth.....	40,327	39,360	967	47,704
Treasurer and Receiver-General.....	260,969	204,397	56,572	175,894
Auditor of the Commonwealth.....	17,903	17,015	888	16,708
Attorney General.....	42,433	41,020	1,413	40,558
Ethics Commission.....	1,731	1,660	71	1,574
District Attorney.....	94,610	93,699	911	92,792
Office of Campaign and Political Finance.....	1,222	1,170	52	1,175
Sheriff's Departments.....	510,070	502,556	7,514	370,009
Disabled Persons Protection Commission.....	2,174	2,174	-	2,150
Board of Library Commissioners.....	21,461	21,439	22	24,672
Comptroller.....	7,750	7,739	11	7,899

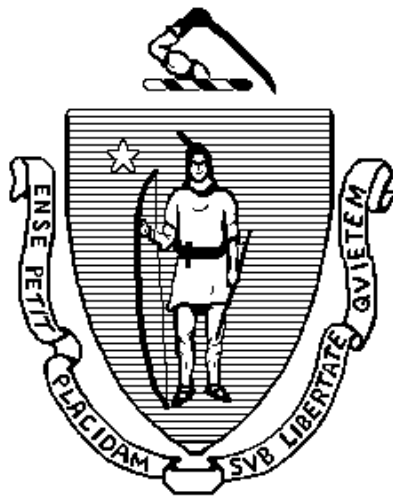
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**General Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2011  
(Amounts in thousands)

	2011 Budget	2011 Actual	Variance Favorable (Unfavorable)	2010 Actual
Expenditures (continued):				
Administration and finance.....	1,857,283	1,618,057	239,226	1,531,620
Energy and environmental affairs.....	184,380	175,477	8,903	183,738
Health and human services.....	4,606,231	4,516,250	89,981	4,616,556
Executive office of education.....	1,823,691	1,807,528	16,163	1,717,211
Public safety and homeland security.....	928,957	897,819	31,138	1,049,249
Housing and economic development.....	373,551	360,949	12,602	351,579
Labor and workforce development.....	45,171	37,236	7,935	28,305
Direct local aid.....	4,853,108	4,784,717	68,391	4,837,371
Medicaid.....	10,269,881	10,237,326	32,555	9,286,565
Post employment benefits.....	1,838,857	1,838,857	-	1,748,619
Debt service:				
Principal retirement.....	442,025	428,607	13,418	591,573
Interest and fiscal charges.....	498,416	431,507	66,909	411,468
Total expenditures.....	<u>29,591,429</u>	<u>28,899,933</u>	<u>691,496</u>	<u>27,969,530</u>
Other financing uses:				
Operating transfers out.....	-	127,283	(127,283)	57,089
Stabilization transfer.....	-	553,044	(553,044)	11,269
Commonwealth transportation transfer.....	-	-	-	275,000
Commonwealth care transfer.....	739,012	739,012	-	631,685
Medical assistance transfer.....	886,101	886,101	-	313,295
Excess permissible tax revenue.....	-	1,187,394	(1,187,394)	-
Total other financing uses.....	<u>1,625,113</u>	<u>3,492,834</u>	<u>(1,867,721)</u>	<u>1,288,338</u>
Total expenditures and other financing uses.....	<u>31,216,542</u>	<u>32,392,767</u>	<u>(1,176,225)</u>	<u>29,257,868</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	(1,370,332)	294,244	1,664,576	10,385
Fund balance (deficit) at beginning of year.....	156,653	156,653	-	146,268
Fund balance (deficit) at end of year.....	<u>\$ (1,213,679)</u>	<u>\$ 450,897</u>	<u>\$ 1,664,576</u>	<u>\$ 156,653</u>

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

June 30, 2011  
(Amounts in thousands)

	2011	2010
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 24,603	\$ 12,271
Cash with fiscal agent.....	19,239	10,847
<b>Total assets.....</b>	<b>\$ 43,842</b>	<b>\$ 23,118</b>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 4,411	\$ 5,155
Accrued payroll.....	8,272	7,116
<b>Total liabilities.....</b>	<b>12,683</b>	<b>12,271</b>
Fund balance:		
Reserved fund balance:		
Reserved for debt service.....	19,239	10,847
Unreserved fund balance:		
Undesignated.....	11,920	-
<b>Total fund balance.....</b>	<b>31,159</b>	<b>10,847</b>
<b>Total liabilities and fund balance.....</b>	<b>\$ 43,842</b>	<b>\$ 23,118</b>

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

Fiscal Year Ended June 30, 2011  
(Amounts in thousands)

	2011 Budget	2011 Actual	Variance Favorable (Unfavorable)	2010 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ 959,500	\$ 962,090	\$ 2,590	\$ 653,783
Assessments.....	-	13,370	13,370	14,059
Departmental.....	501,100	485,839	(15,261)	489,840
Miscellaneous.....	-	32	32	29,487
Total revenues.....	<u>1,460,600</u>	<u>1,461,331</u>	<u>731</u>	<u>1,187,169</u>
Other financing sources:				
Operating transfers in.....	-	5,405	5,405	-
Commonwealth transportation transfer.....	-	-	-	275,000
Total other financing sources.....	<u>-</u>	<u>5,405</u>	<u>5,405</u>	<u>275,000</u>
Total revenues and other financing sources.....	<u>1,460,600</u>	<u>1,466,736</u>	<u>6,136</u>	<u>1,462,169</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Sheriff's Departments.....	-	-	-	245
Administration and finance.....	9,625	9,618	7	9,618
Energy and environmental affairs.....	-	-	-	8,426
Massachusetts department of transportation.....	160,000	160,000	-	502,403
Public safety and homeland security.....	-	-	-	3,390
Housing and economic development.....	-	-	-	54
Debt service:				
Principal retirement.....	405,162	386,783	18,379	457,037
Interest and fiscal charges.....	455,364	416,979	38,385	399,562
Total expenditures.....	<u>1,030,151</u>	<u>973,380</u>	<u>56,771</u>	<u>1,380,735</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	-	-	5,716
Operating transfers out.....	370,972	386,143	(15,171)	64,871
Stabilization transfer.....	-	86,901	(86,901)	-
Total other financing uses.....	<u>370,972</u>	<u>473,044</u>	<u>(102,072)</u>	<u>70,587</u>
Total expenditures and other financing uses.....	<u>1,401,123</u>	<u>1,446,424</u>	<u>(45,301)</u>	<u>1,451,322</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses...				
	59,477	20,312	(39,165)	10,847
Fund balance (deficit) at beginning of year.....	<u>10,847</u>	<u>10,847</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of year.....	<u>\$ 70,324</u>	<u>\$ 31,159</u>	<u>\$ (39,165)</u>	<u>\$ 10,847</u>

See accountants' review report

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

June 30, 2011  
(Amounts in thousands)

	2011	2010
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 1,123,168	\$ 415,122
Investments.....	255,903	254,681
Total assets.....	\$ 1,379,071	\$ 669,803
<b>LIABILITIES AND FUND EQUITY</b>		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	-	-
Fund balance:		
Reserved fund balance:		
Reserved for Commonwealth Stabilization.....	1,379,071	669,803
Total fund balance.....	1,379,071	669,803
Total liabilities and fund balance.....	\$ 1,379,071	\$ 669,803

See accountants' review report

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

Fiscal Year Ended June 30, 2011  
(Amounts in thousands)

	2011 Budget	2011 Actual	Variance Favorable (Unfavorable)	2010 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ -	\$ 1,619	\$ 1,619	\$ 1,982
Miscellaneous.....	5,900	9,044	3,144	21,782
Total revenues.....	<u>5,900</u>	<u>10,663</u>	<u>4,763</u>	<u>23,764</u>
Other financing sources:				
Stabilization transfer.....	-	698,605	698,605	11,269
Excess permissible tax revenue.....	-	9,044	9,044	-
Total other financing sources.....	<u>-</u>	<u>707,649</u>	<u>707,649</u>	<u>11,269</u>
Total revenues and other financing sources.....	<u>5,900</u>	<u>718,312</u>	<u>712,412</u>	<u>35,033</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Administration and finance.....	-	-	-	-
Total expenditures.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing uses:				
Stabilization transfer.....	5,900	9,044	(3,144)	206,574
Total other financing uses.....	<u>5,900</u>	<u>9,044</u>	<u>(3,144)</u>	<u>206,574</u>
Total expenditures and other financing uses.....	<u>5,900</u>	<u>9,044</u>	<u>(3,144)</u>	<u>206,574</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses....	-	709,268	709,268	(171,541)
Fund balance (deficit) at beginning of year.....	669,803	669,803	-	841,344
Fund balance (deficit) at end of year.....	<u>\$ 669,803</u>	<u>\$ 1,379,071</u>	<u>\$ 709,268</u>	<u>\$ 669,803</u>

See accountants' review report

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

June 30, 2011  
(Amounts in thousands)

	2011	2010
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	\$ -	\$ -
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	-	-
Fund balance:		
Unreserved fund balance:		
Undesignated.....	-	-
Total fund balance.....	-	-
Total liabilities and fund balance.....	\$ -	\$ -

See accountants' review report

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

Fiscal Year Ended June 30, 2011  
(Amounts in thousands)

	2011 Budget	2011 Actual	Variance Favorable (Unfavorable)	2010 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Miscellaneous.....	\$ -	\$ -	\$ -	\$ -
Total revenues.....	-	-	-	-
Other financing sources:				
Excess permissible tax revenue.....	-	1,187,394	1,187,394	-
Total other financing sources.....	-	1,187,394	1,187,394	-
Total revenues and other financing sources.....	-	1,187,394	1,187,394	-
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Administration and finance.....	-	-	-	-
Total expenditures.....	-	-	-	-
Other financing uses:				
Excess permissible tax revenue.....	-	1,187,394	(1,187,394)	-
Total other financing uses.....	-	1,187,394	(1,187,394)	-
Total expenditures and other financing uses.....	-	1,187,394	(1,187,394)	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	-	-	-	-
Fund balance (deficit) at beginning of year.....	-	-	-	-
Fund balance (deficit) at end of year.....	\$ -	\$ -	\$ -	\$ -

See accountants' review report

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

June 30, 2011  
(Amounts in thousands)

	2011	2010
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 28,410	\$ 22,677
Total assets.....	\$ 28,410	\$ 22,677
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 21,325	\$ 15,761
Accrued payroll.....	2,968	2,826
Total liabilities.....	24,293	18,587
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	4,117	4,090
Total fund balance .....	4,117	4,090
Total liabilities and fund balance.....	\$ 28,410	\$ 22,677

See accountants' review report

## Intragovernmental Service Fund

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

Fiscal Year Ended June 30, 2011  
(Amounts in thousands)

	2011 Budget	2011 Actual	Variance Favorable (Unfavorable)	2010 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental.....	\$ -	\$ 296,666	\$ 296,666	\$ 245,308
Total revenues.....	-	296,666	296,666	245,308
Other financing sources:				
Operating transfers in.....	-	36	36	-
Total other financing sources.....	-	36	36	-
Total revenues and other financing sources.....	-	296,702	296,702	245,308
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Judiciary.....	507	-	507	-
Governor and Lieutenant Governor.....	120	59	61	60
Secretary of the Commonwealth.....	116	115	1	115
Attorney General.....	20	9	11	-
Comptroller.....	3,529	3,506	23	3,181
Administration and finance.....	221,052	172,948	48,104	141,849
Energy and environmental affairs.....	4,503	2,528	1,975	412
Health and human services.....	112,282	76,366	35,916	73,229
Executive office of education.....	1,857	-	1,857	-
Public safety and homeland security.....	50,975	37,123	13,852	23,025
Housing and economic development.....	3,650	932	2,718	10
Labor and workforce development.....	17,708	16	17,692	-
Total expenditures.....	416,319	293,602	122,717	241,881
Other financing uses:				
Operating transfers out.....	-	3,073	(3,073)	2,780
Total other financing uses.....	-	3,073	(3,073)	2,780
Total expenditures and other financing uses.....	416,319	296,675	119,644	244,661
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....				
	(416,319)	27	416,346	647
Fund balance (deficit) at beginning of year.....	4,090	4,090	-	3,443
Fund balance (deficit) at end of year.....	\$ (412,229)	\$ 4,117	\$ 416,346	\$ 4,090

See accountants' review report

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

June 30, 2011  
(Amounts in thousands)

	2011	2010
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 18,326	\$ 17,849
Total assets.....	\$ 18,326	\$ 17,849
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 319	\$ 318
Accrued payroll.....	198	187
Total liabilities.....	517	505
Fund balance:		
Unreserved fund balance:		
Undesignated.....	17,809	17,344
Total fund balance.....	17,809	17,344
Total liabilities and fund balance.....	\$ 18,326	\$ 17,849

See accountants' review report



**Inland Fisheries And Game Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2011

(Amounts in thousands)

	2011 Budget	2011 Actual	Variance Favorable (Unfavorable)	2010 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ 900	\$ 871	\$ (29)	\$ 866
Federal grants and reimbursements.....	6,800	4,236	(2,564)	6,950
Departmental.....	7,100	7,206	106	7,147
Miscellaneous.....	-	21	21	14
Total revenues.....	<u>14,800</u>	<u>12,334</u>	<u>(2,466)</u>	<u>14,977</u>
Other financing sources:				
Operating transfers in.....	100	138	38	130
Total other financing sources.....	<u>100</u>	<u>138</u>	<u>38</u>	<u>130</u>
Total revenues and other financing sources.....	<u>14,900</u>	<u>12,472</u>	<u>(2,428)</u>	<u>15,107</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Energy and environmental affairs.....	10,681	10,068	613	10,026
Total expenditures.....	<u>10,681</u>	<u>10,068</u>	<u>613</u>	<u>10,026</u>
Other financing uses				
Fringe benefit cost assessment.....	1,600	1,939	(339)	1,609
Total other financing uses.....	<u>1,600</u>	<u>1,939</u>	<u>(339)</u>	<u>1,609</u>
Total expenditures and other financing uses.....	<u>12,281</u>	<u>12,007</u>	<u>274</u>	<u>11,635</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses....	2,619	465	(2,154)	3,472
Fund balance (deficit) at beginning of year.....	<u>17,344</u>	<u>17,344</u>	<u>-</u>	<u>13,872</u>
Fund balance (deficit) at end of year.....	<u>\$ 19,963</u>	<u>\$ 17,809</u>	<u>\$ (2,154)</u>	<u>\$ 17,344</u>

See accountants' review report

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

June 30, 2011  
(Amounts in thousands)

	2011	2010
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 67	\$ -
Total assets.....	\$ 67	\$ -
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 4	\$ -
Total liabilities.....	4	-
Fund balance:		
Unreserved fund balance:		
Undesignated.....	63	-
Total fund balance.....	63	-
Total liabilities and fund balance.....	\$ 67	\$ -

See accountants' review report

**Marine Recreational Fisheries Development Fund**  
**Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis**

Fiscal Year Ended June 30, 2011  
(Amounts in thousands)

	2011 Budget	2011 Actual	Variance Favorable (Unfavorable)	2010 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Departmental.....	\$ 100	\$ 717	\$ 617	\$ -
Total revenues.....	<u>100</u>	<u>717</u>	<u>617</u>	<u>-</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>100</u>	<u>717</u>	<u>617</u>	<u>-</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Energy and environmental affairs.....	102	41	61	-
Total expenditures.....	<u>102</u>	<u>41</u>	<u>61</u>	<u>-</u>
Other financing uses				
Operating transfers out.....	-	155	(155)	-
Stabilization transfer.....	-	458	(458)	-
Total other financing uses.....	<u>-</u>	<u>613</u>	<u>(613)</u>	<u>-</u>
Total expenditures and other financing uses.....	<u>102</u>	<u>654</u>	<u>(552)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses....	(2)	63	65	-
Fund balance (deficit) at beginning of year.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of year.....	<u>\$ (2)</u>	<u>\$ 63</u>	<u>\$ 65</u>	<u>\$ -</u>

See accountants' review report

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

June 30, 2011  
(Amounts in thousands)

	2011	2010
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 11,345	\$ 18,154
Total assets.....	\$ 11,345	\$ 18,154
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 752	\$ 1,587
Accrued payroll.....	118	414
Total liabilities.....	870	2,001
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	9,720	5,000
Unreserved fund balance:		
Undesignated.....	755	11,153
Total fund balance.....	10,475	16,153
Total liabilities and fund balance.....	\$ 11,345	\$ 18,154

See accountants' review report

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

Fiscal Year Ended June 30, 2011  
(Amounts in thousands)

	2011 Budget	2011 Actual	Variance Favorable (Unfavorable)	2010 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ 21,000	\$ 20,448	\$ (552)	\$ 19,378
Total revenues.....	<u>21,000</u>	<u>20,448</u>	<u>(552)</u>	<u>19,378</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>21,000</u>	<u>20,448</u>	<u>(552)</u>	<u>19,378</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Administration and finance.....	-	-	-	22
Labor and workforce development.....	31,002	19,281	11,721	13,932
Total expenditures.....	<u>31,002</u>	<u>19,281</u>	<u>11,721</u>	<u>13,954</u>
Other financing uses:				
Fringe benefit cost assessment.....	400	521	(121)	389
Operating transfers out.....	-	816	(816)	-
Stabilization transfer.....	-	5,508	(5,508)	-
Total other financing uses.....	<u>400</u>	<u>6,845</u>	<u>(6,445)</u>	<u>389</u>
Total expenditures and other financing uses.....	<u>31,402</u>	<u>26,126</u>	<u>5,276</u>	<u>14,343</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	(10,402)	(5,678)	4,724	5,035
Fund balance (deficit) at beginning of year.....	16,153	16,153	-	11,118
Fund balance (deficit) at end of year.....	<u>\$ 5,751</u>	<u>\$ 10,475</u>	<u>\$ 4,724</u>	<u>\$ 16,153</u>

See accountants' review report

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

June 30, 2011  
(Amounts in thousands)

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	<u>-</u>	<u>-</u>
Total fund balance.....	<u>-</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

See accountants' review report

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

Fiscal Year Ended June 30, 2011  
(Amounts in thousands)

	2011 Budget	2011 Actual	Variance Favorable (Unfavorable)	2010 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ 108,000	\$ 43,102	\$ (64,898)	\$ -
Total revenues.....	<u>108,000</u>	<u>43,102</u>	<u>(64,898)</u>	<u>-</u>
Other financing sources:				
Operating transfers in.....	-	64,732	64,732	-
Total other financing sources.....	<u>-</u>	<u>64,732</u>	<u>64,732</u>	<u>-</u>
Total revenues and other financing sources.....	<u>108,000</u>	<u>107,834</u>	<u>(166)</u>	<u>-</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Sheriff's Departments.....	507	497	10	-
Health and human services.....	99,183	98,597	586	-
Public safety and homeland security.....	7,231	7,230	1	-
Total expenditures.....	<u>106,921</u>	<u>106,324</u>	<u>597</u>	<u>-</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	1,510	(1,510)	-
Total other financing uses.....	<u>-</u>	<u>1,510</u>	<u>(1,510)</u>	<u>-</u>
Total expenditures and other financing uses.....	<u>106,921</u>	<u>107,834</u>	<u>(913)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	1,079	-	(1,079)	-
Fund balance (deficit) at beginning of year.....	-	-	-	-
Fund balance (deficit) at end of year.....	<u>\$ 1,079</u>	<u>\$ -</u>	<u>\$ (1,079)</u>	<u>\$ -</u>

See accountants' review report

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

June 30, 2011  
(Amounts in thousands)

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 7,289	\$ 28,828
Total assets.....	<u>\$ 7,289</u>	<u>\$ 28,828</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 24	\$ 616
Accrued payroll.....	<u>37</u>	<u>34</u>
Total liabilities.....	<u>61</u>	<u>650</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	<u>7,228</u>	<u>28,178</u>
Total fund balance.....	<u>7,228</u>	<u>28,178</u>
Total liabilities and fund balance.....	<u>\$ 7,289</u>	<u>\$ 28,828</u>

See accountants' review report



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

Fiscal Year Ended June 30, 2011  
(Amounts in thousands)

	2011 Budget	2011 Actual	Variance Favorable (Unfavorable)	2010 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ 35,000	\$ 38,640	\$ 3,640	\$ 35,549
Total revenues.....	<u>35,000</u>	<u>38,640</u>	<u>3,640</u>	<u>35,549</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>35,000</u>	<u>38,640</u>	<u>3,640</u>	<u>35,549</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Governor and Lieutenant Governor.....	17	17	-	9
Public safety and homeland security.....	-	-	-	219
Housing and economic development.....	2,038	1,996	42	7,435
Total expenditures.....	<u>2,055</u>	<u>2,013</u>	<u>42</u>	<u>7,663</u>
Other financing uses:				
Fringe benefit cost assessment.....	300	356	(56)	299
Operating transfers out.....	-	4,527	(4,527)	-
Stabilization transfer.....	-	52,694	(52,694)	-
Total other financing uses.....	<u>300</u>	<u>57,577</u>	<u>(57,277)</u>	<u>299</u>
Total expenditures and other financing uses.....	<u>2,355</u>	<u>59,590</u>	<u>(57,235)</u>	<u>7,962</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses...	32,645	(20,950)	(53,595)	27,587
Fund balance (deficit) at beginning of year.....	28,178	28,178	-	591
Fund balance (deficit) at end of year.....	<u>\$ 60,823</u>	<u>\$ 7,228</u>	<u>\$ (53,595)</u>	<u>\$ 28,178</u>

See accountants' review report



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# *Non-Budgeted Funds*

## **SPECIAL REVENUE FUNDS:**

These funds account for the proceeds of specific revenue sources that are restricted to finance specific functions. Funds that are not subject to appropriation are considered Non-Budgeted Special Revenue Funds.

**Federal Grants Fund** – to account for federal grants that are designated for specific programs, excluding federal highway construction grants, which are accounted for in the Federal Highway Construction Capital Projects Fund, and federal reimbursement programs, such as Medicaid, which are accounted for in the General Fund.

## **LOTTERY FUNDS:**

The two lottery funds account for the operations of the State and Arts Lotteries.

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

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

## **UNIVERSAL HEALTH CARE FUNDS:**

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

**Commonwealth Care Trust Fund** – to collect fair share employer assessments, free rider surcharges, cigarette tax revenues, transfers from the Health Safety Net Trust Fund, any funds that may be appropriated or transferred for deposit into the trust fund for the purposes of the demonstration program approved by the Secretary of the United States Department of Health and Human Services under section 1115 of the Social Security Act, as extended or renewed from time to time and individual health care

coverage penalties for the purpose of providing health care coverage in accordance with the Chapter 58 of the Acts of 2006.

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

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

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

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

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

## **OTHER FUNDS:**

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

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

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

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**Health Care Security Trust Fund** – to account for revenues received from tobacco companies under the tobacco settlement and interest income for health related services and programs intended to control or reduce the use of tobacco in the Commonwealth.

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

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

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

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

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

**State Racing Fund** – to account for racing-related taxes and assessments, to be used for expenditures governing simulcasting and to provide certain relief to the racing industry in the Commonwealth.

**Division of Professional Licensure Trust Fund** – to support programs and administrative costs of the Division of Professional Licensure. Revenues are from professional registration fees and expenditures are for regulatory purpose. The fund is not allowed to incur a deficit. Any

year-end balance in excess of 20% of the prior year's expenditures revert to the General Fund.

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

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

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

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

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

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

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

**Enhanced 911 Fund** – to account for expenditures by the state 911 department to automatically identify a telephone number used to place or route a 911 call.

**Counsel for Indigent Salary Enhancement Trust Fund** – to account for fees collected for private applications for criminal complaints for misdemeanors in Commonwealth

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courts, including investment income. Expenditures are for rate enhancements for advocates for the indigent.

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

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

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

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

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

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

**Fire Prevention and Public Safety Fund** – to account for all penalties recovered under the cigarette fire safety regulation act to be used for fire safety and prevention programs.

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

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

**District Local Technical Assistance Fund** – to account for grants to regional planning agencies for technical assistance to municipalities and to develop a state-wide zoning, land use planning, conservation, public safety planning, information technology and statistical trend modeling under the supervision of the Department of Housing and Community Development. The annual expenditures cannot exceed \$2.8 million in any fiscal year.

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

**Massachusetts Nursing and Allied Health Workforce Development Trust Fund** – to account for funds appropriated, grants, loans, or private donations received; to support programs that encourage carriers in field related to nursing and allied health.

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

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

**Massachusetts Mathematics, Science, Technology and Engineering Grant Fund** – to account for support provided to Massachusetts students who want to participate

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in programs that support careers in fields related to mathematics, science, technology, and engineering. The grants also support curriculum development in those fields.

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

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

***Regional Greenhouse Gas Initiative (RGGI) Auction Trust Fund*** – to account for expenditures by the department of environmental protection in consultation with the department of energy resources to adopt rules and regulations establishing a carbon dioxide cap to limit and reduce the total carbon dioxide emissions released by electric generating stations.

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

***Ocean Resources and Waterways Trust Fund*** – to account for funds appropriated, investment income, grants or ocean development mitigation fees received; used to restore or enhance marine habitat and resources impacted by project developments.

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

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

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

***Children’s Trust Fund*** – to account for gifts, grants, interest, and donations to the Child Abuse Prevention Board and certain appropriations designated to be

transferred to the fund; used for support programs to raise awareness of child abuse and prevention programs.

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

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

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

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

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

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

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

***Child Care Quality Fund*** – to account for expenditures by the commissioner of the Office for Children for providing grants for not-for-profit childcare organizations for the purpose of improving childcare services.

***Convention and Exhibition Center Fund*** – to account for certain rooms and sales and use taxes, surcharges imposed

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on tourist tickets, including cruises and land-based sightseeing located in the Commonwealth, to finance the construction of a new Boston Convention Center and convention centers in Worcester and Springfield.

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

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

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

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

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

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

The following funds have been enacted in legislation but are inactive:

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

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

***Energy Technology Development Fund*** – to account for revenues received from miscellaneous trusts, gifts and donations to be administered and expended by the commissioner of the Division of Energy Resources to promote energy efficiency and the research development and commercialization of new energy technologies.

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

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

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

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

Fiscal Year Ended June 30, 2011  
 (Amounts in thousands)

	Lotteries			Universal Health Care Funds			
	Federal Grants	State Lottery	Arts Lottery	Commonwealth Care Trust	Essential Community Provider Trust	Medical Assistance Trust	Health Safety Net Trust
<b>REVENUES AND OTHER FINANCING SOURCES</b>							
Revenues:							
Taxes.....	\$ -	\$ 815	\$ -	\$ 144,896	\$ -	\$ -	\$ -
Assessments.....	-	-	-	-	-	-	332,351
Federal grants and reimbursements.....	3,096,867	-	-	-	-	-	-
Tobacco settlement revenue.....	-	-	-	-	-	-	-
Departmental.....	-	4,532,525	98,568	18,000	-	147,212	314
Miscellaneous.....	-	1,060	57	54,572	-	-	404
<b>Total revenues.....</b>	<b>3,096,867</b>	<b>4,534,400</b>	<b>98,625</b>	<b>217,468</b>	<b>-</b>	<b>147,212</b>	<b>333,069</b>
Other financing sources:							
Proceeds of refunding bonds.....	-	-	-	-	-	-	-
Operating transfers in.....	-	-	71,873	-	-	-	-
Commonwealth care trust transfer.....	-	-	-	739,012	-	-	-
Health safety net trust transfer.....	-	-	-	-	-	-	30,000
Medical assistance transfer.....	-	-	-	-	-	886,101	-
<b>Total other financing sources.....</b>	<b>-</b>	<b>-</b>	<b>71,873</b>	<b>739,012</b>	<b>-</b>	<b>886,101</b>	<b>30,000</b>
<b>Total revenues and other financing sources.....</b>	<b>3,096,867</b>	<b>4,534,400</b>	<b>170,498</b>	<b>956,480</b>	<b>-</b>	<b>1,033,313</b>	<b>363,069</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>							
Expenditures:							
Judiciary.....	1,215	-	-	-	-	-	-
Inspector General.....	-	-	-	-	-	-	281
Governor and Lieutenant Governor.....	-	-	-	-	-	-	-
Secretary of the Commonwealth.....	1,044	-	-	-	-	-	-
Treasurer and Receiver-General.....	2,635	3,570,703	85,788	-	-	-	-
Attorney General.....	8,197	-	-	-	-	-	-
District Attorney.....	3,138	-	-	-	-	-	-
Office of Campaign and Political Finance.....	-	-	-	-	-	-	-
Sheriff's Departments.....	4,143	-	-	-	-	-	-
Disabled Persons Protection Commission.....	106	-	-	-	-	-	-
Board of Library Commissioners.....	3,229	-	-	-	-	-	-
Comptroller.....	-	-	-	-	-	-	-
Administration and finance.....	7,540	-	-	-	-	-	-
Energy and environmental affairs.....	74,140	-	-	-	-	-	-
Health and human services.....	435,253	-	-	888,674	-	1,033,102	369,444
Massachusetts department of transportation.....	1,102	-	-	-	-	-	-
Executive office of education.....	1,398,577	-	-	-	-	-	-
Public safety and homeland security.....	142,146	-	-	-	-	-	-
Housing and economic development.....	683,881	-	-	-	-	-	-
Labor and workforce development.....	187,723	-	-	246	-	-	-
Debt service:							
Principal retirement.....	-	-	-	-	-	-	-
Interest and fiscal charges.....	-	-	-	-	-	-	-
<b>Total expenditures.....</b>	<b>2,954,069</b>	<b>3,570,703</b>	<b>85,788</b>	<b>888,920</b>	<b>-</b>	<b>1,033,102</b>	<b>369,725</b>
Other financing uses:							
Fringe benefit cost assessment.....	70,437	8,326	-	74	-	-	30
Lottery operating reimbursements.....	-	80,295	6,096	-	-	-	-
Lottery distributions.....	-	803,203	78,614	-	-	-	-
Operating transfers out.....	56,491	71,873	-	16	518	-	13
Tobacco settlement transfer.....	-	-	-	-	-	-	-
Commonwealth care trust transfer.....	-	-	-	30,000	-	-	-
Health safety net trust transfer.....	-	-	-	-	-	-	-
Federal reimbursement transfer out.....	-	-	-	-	-	-	-
Equity transfer to Massachusetts department of transportation.....	-	-	-	-	-	-	-
<b>Total other financing uses.....</b>	<b>126,928</b>	<b>963,697</b>	<b>84,710</b>	<b>30,090</b>	<b>518</b>	<b>-</b>	<b>43</b>
<b>Total expenditures and other financing uses.....</b>	<b>3,080,997</b>	<b>4,534,400</b>	<b>170,498</b>	<b>919,010</b>	<b>518</b>	<b>1,033,102</b>	<b>369,768</b>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	15,870	-	-	37,470	(518)	211	(6,699)
Fund balance (deficit) at beginning of year (restated).....	43,714	-	-	44,594	518	-	107,229
<b>Fund balance (deficit) at end of year.....</b>	<b>\$ 59,584</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 82,064</b>	<b>\$ -</b>	<b>\$ 211</b>	<b>\$ 100,530</b>

See accountants' review report



Universal Health Care Funds		Non-budgeted Other Funds							
Medical Security Trust	Catastrophic Illness in Children Relief	Department of Telecommunication and Energy Trust	Liability Management and Reduction	Health Care Security Trust	Commonwealth of Massachusetts Civil Monetary Penalty (CMP)	MBTA State and Local Contribution	MBTA Infrastructure Renovation	Community Preservation Trust	Health Insurance Portability and Accountability Act
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 767,057	\$ -	\$ 26,637	\$ -
-	-	4,688	-	-	-	150,148	-	-	-
-	-	-	-	-	-	-	-	-	9,080
115,008	-	-	1,950	248,741	-	-	-	-	-
8	16	-	3	-	306	-	-	-	-
115,016	16	4,688	1,953	248,741	306	917,205	17	26,669	9,080
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
115,016	16	4,688	1,953	248,741	306	917,205	17	26,669	9,080
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	917,205	2,458	-	-
-	-	-	50	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	2,067	-	-	-	-	-	-
-	-	-	-	-	-	-	-	25,990	-
-	-	4,383	-	-	-	-	-	-	-
-	2,276	-	-	-	169	-	-	-	9,426
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
176,164	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
176,164	2,276	4,383	2,117	-	169	917,205	2,458	25,990	9,426
762	102	753	23	-	-	-	-	38	30
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
165	47	285	-	-	-	-	-	28	65
-	-	-	-	248,741	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
927	149	1,038	23	248,741	-	-	-	66	95
177,091	2,425	5,421	2,140	248,741	169	917,205	2,458	26,056	9,521
(62,075)	(2,409)	(733)	(187)	-	137	-	(2,441)	613	(441)
(18,607)	3,291	1,364	3,155	-	744	-	6,870	25,759	8,291
\$ (80,682)	\$ 882	\$ 631	\$ 2,968	\$ -	\$ 881	\$ -	\$ 4,429	\$ 26,372	\$ 7,850

continued

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

Fiscal Year Ended June 30, 2011  
 (Amounts in thousands)

	Non-budgeted Other Funds						
	State Racing	Division of Professional Licensure Trust	Victims of Drunk Driving Trust	State Athletic Commission	Organ And Tissues Donor Registration	Department of Fire Services Hazardous Materials Emergency Mitigation Response Recovery Trust	Registers Technological
<b>REVENUES AND OTHER FINANCING SOURCES</b>							
Revenues:							
Taxes.....	\$ 1,457	\$ -	\$ -	\$ 247	\$ -	\$ -	\$ -
Assessments.....	726	-	-	-	-	-	-
Federal grants and reimbursements.....	-	-	-	-	-	-	-
Tobacco settlement revenue.....	-	-	-	-	-	-	-
Departmental.....	401	10,511	501	-	40	265	4,786
Miscellaneous.....	526	-	3	-	-	-	-
<b>Total revenues.....</b>	<b>3,110</b>	<b>10,511</b>	<b>504</b>	<b>247</b>	<b>40</b>	<b>265</b>	<b>4,786</b>
Other financing sources:							
Proceeds of refunding bonds.....	-	-	-	-	-	-	-
Operating transfers in.....	-	-	-	-	-	-	-
Commonwealth care trust transfer.....	-	-	-	-	-	-	-
Health safety net trust transfer.....	-	-	-	-	-	-	-
Medical assistance transfer.....	-	-	-	-	-	-	-
<b>Total other financing sources.....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total revenues and other financing sources.....</b>	<b>3,110</b>	<b>10,511</b>	<b>504</b>	<b>247</b>	<b>40</b>	<b>265</b>	<b>4,786</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>							
Expenditures:							
Judiciary.....	-	-	-	-	-	-	-
Inspector General.....	-	-	-	-	-	-	-
Governor and Lieutenant Governor.....	-	-	-	-	-	-	-
Secretary of the Commonwealth.....	-	-	-	-	-	-	4,194
Treasurer and Receiver-General.....	-	-	-	-	-	-	-
Attorney General.....	-	-	300	-	-	-	-
District Attorney.....	-	-	-	-	-	-	-
Office of Campaign and Political Finance.....	-	-	-	-	-	-	-
Sheriff's Departments.....	-	-	-	-	-	-	-
Disabled Persons Protection Commission.....	-	-	-	-	-	-	-
Board of Library Commissioners.....	-	-	-	-	-	-	-
Comptroller.....	-	-	-	-	-	-	-
Administration and finance.....	-	-	-	-	-	-	-
Energy and environmental affairs.....	27	-	-	-	-	-	-
Health and human services.....	130	-	-	-	-	-	-
Massachusetts department of transportation.....	-	-	-	-	-	-	-
Executive office of education.....	-	-	-	-	-	-	-
Public safety and homeland security.....	-	-	-	52	-	280	-
Housing and economic development.....	707	7,415	-	-	-	-	-
Labor and workforce development.....	-	-	-	-	-	-	-
Debt service:							
Principal retirement.....	-	-	-	-	-	-	-
Interest and fiscal charges.....	-	-	-	-	-	-	-
<b>Total expenditures.....</b>	<b>864</b>	<b>7,415</b>	<b>300</b>	<b>52</b>	<b>-</b>	<b>280</b>	<b>4,194</b>
Other financing uses:							
Fringe benefit cost assessment.....	-	1,088	-	8	-	-	395
Lottery operating reimbursements.....	-	-	-	-	-	-	-
Lottery distributions.....	-	-	-	-	-	-	-
Operating transfers out.....	2,374	1,970	-	52	-	17	197
Tobacco settlement transfer.....	-	-	-	-	-	-	-
Commonwealth care transfer.....	-	-	-	-	-	-	-
Health safety net trust transfer.....	-	-	-	-	-	-	-
Federal reimbursement transfer out.....	-	-	-	-	-	-	-
Equity transfer to Massachusetts department of transportation.....	-	-	-	-	-	-	-
<b>Total other financing uses.....</b>	<b>2,374</b>	<b>3,058</b>	<b>-</b>	<b>60</b>	<b>-</b>	<b>17</b>	<b>592</b>
<b>Total expenditures and other financing uses.....</b>	<b>3,238</b>	<b>10,473</b>	<b>300</b>	<b>112</b>	<b>-</b>	<b>297</b>	<b>4,786</b>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses....	(128)	38	204	135	40	(32)	-
Fund balance (deficit) at beginning of year (restated).....	396	2,020	2,192	22	-	133	2,409
<b>Fund balance (deficit) at end of year.....</b>	<b>\$ 268</b>	<b>\$ 2,058</b>	<b>\$ 2,396</b>	<b>\$ 157</b>	<b>\$ 40</b>	<b>\$ 101</b>	<b>\$ 2,409</b>

See accountants' review report

Non-budgeted Other Funds

County Registers Technological	State Election Campaign	Enhanced 911	Counsel for Indigent Salary Enhancement Trust	Smart Growth Housing Trust	Special Projects Permitting and Oversight	Division of Energy Resources Credit Trust	School Modernization and Reconstruction Trust	Roche Community Rink	Workforce Competitiveness Trust
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 654,642	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
2,578	-	74,832	118	-	152	12	-	48	-
-	291	147	-	-	-	-	-	-	-
<u>2,578</u>	<u>291</u>	<u>74,979</u>	<u>118</u>	<u>-</u>	<u>152</u>	<u>12</u>	<u>654,642</u>	<u>48</u>	<u>-</u>
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>2,578</u>	<u>291</u>	<u>74,979</u>	<u>118</u>	<u>-</u>	<u>152</u>	<u>12</u>	<u>654,642</u>	<u>48</u>	<u>-</u>
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	654,642	-	-
-	-	-	-	-	-	-	-	-	-
-	1,390	-	-	-	-	-	-	-	-
-	-	2,286	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
908	-	857	-	-	-	-	-	-	-
-	-	-	-	-	125	225	-	-	-
-	-	107	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	52,977	-	-	-	-	-	-	-
-	-	-	-	950	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>908</u>	<u>1,390</u>	<u>56,227</u>	<u>-</u>	<u>950</u>	<u>125</u>	<u>225</u>	<u>654,642</u>	<u>-</u>	<u>-</u>
-	-	1,731	-	-	26	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	1,799	-	-	15	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	3,530	-	-	41	-	-	-	-
<u>908</u>	<u>1,390</u>	<u>59,757</u>	<u>-</u>	<u>950</u>	<u>166</u>	<u>225</u>	<u>654,642</u>	<u>-</u>	<u>-</u>
1,670	(1,099)	15,222	118	(950)	(14)	(213)	-	48	-
1,668	1,579	82,429	17	2,450	426	2,562	-	208	38
<u>\$ 3,338</u>	<u>\$ 480</u>	<u>\$ 97,651</u>	<u>\$ 135</u>	<u>\$ 1,500</u>	<u>\$ 412</u>	<u>\$ 2,349</u>	<u>\$ -</u>	<u>\$ 256</u>	<u>\$ 38</u>

continued

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

Fiscal Year Ended June 30, 2011  
 (Amounts in thousands)

	Non-budgeted Other Funds						
	Fire Prevention and Public Safety	Cigarette Fire Safety Firefighter Protection Act Enforcement	Massachusetts Board of Higher Education Scholar-Internship Match	District Local Technical Assistance	Educational Rewards Grant Program	Massachusetts Nursing & Allied Health Workforce Development Trust	Government Land Bank
<b>REVENUES AND OTHER FINANCING SOURCES</b>							
Revenues:							
Taxes.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assessments.....	-	-	-	-	-	-	-
Federal grants and reimbursements.....	-	-	-	-	-	-	-
Tobacco settlement revenue.....	-	-	-	-	-	-	-
Departmental.....	14	1,980	-	-	-	-	-
Miscellaneous.....	-	-	-	-	-	10	-
Total revenues.....	<u>14</u>	<u>1,980</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10</u>	<u>-</u>
Other financing sources:							
Proceeds of refunding bonds.....	-	-	-	-	-	-	-
Operating transfers in.....	-	-	-	-	-	635	9,700
Commonwealth care trust transfer.....	-	-	-	-	-	-	-
Health safety net trust transfer.....	-	-	-	-	-	-	-
Medical assistance transfer.....	-	-	-	-	-	-	-
Total other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>635</u>	<u>9,700</u>
Total revenues and other financing sources.....	<u>14</u>	<u>1,980</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>645</u>	<u>9,700</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>							
Expenditures:							
Judiciary.....	-	-	-	-	-	-	-
Inspector General.....	-	-	-	-	-	-	-
Governor and Lieutenant Governor.....	-	-	-	-	-	-	-
Secretary of the Commonwealth.....	-	-	-	-	-	-	-
Treasurer and Receiver-General.....	-	-	-	-	-	-	-
Attorney General.....	-	-	-	-	-	-	-
District Attorney.....	-	-	-	-	-	-	-
Office of Campaign and Political Finance.....	-	-	-	-	-	-	-
Sheriff's Departments.....	-	-	-	-	-	-	-
Disabled Persons Protection Commission.....	-	-	-	-	-	-	-
Board of Library Commissioners.....	-	-	-	-	-	-	-
Comptroller.....	-	-	-	-	-	-	-
Administration and finance.....	-	-	-	-	-	-	-
Energy and environmental affairs.....	-	-	-	-	-	-	-
Health and human services.....	-	-	-	-	-	-	-
Massachusetts department of transportation.....	-	-	-	-	-	-	-
Executive office of education.....	-	-	-	-	-	273	-
Public safety and homeland security.....	6	369	-	-	-	-	-
Housing and economic development.....	-	-	-	-	-	-	-
Labor and workforce development.....	-	-	-	-	-	-	-
Debt service:							
Principal retirement.....	-	-	-	-	-	-	6,290
Interest and fiscal charges.....	-	-	-	-	-	-	3,410
Total expenditures.....	<u>6</u>	<u>369</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>273</u>	<u>9,700</u>
Other financing uses:							
Fringe benefit cost assessment.....	-	49	-	-	-	14	-
Lottery operating reimbursements.....	-	-	-	-	-	-	-
Lottery distributions.....	-	-	-	-	-	-	-
Operating transfers out.....	-	116	-	-	-	31	-
Tobacco settlement transfer.....	-	-	-	-	-	-	-
Commonwealth care transfer.....	-	-	-	-	-	-	-
Health safety net trust transfer.....	-	-	-	-	-	-	-
Federal reimbursement transfer out.....	-	-	-	-	-	-	-
Equity transfer to Massachusetts department of transportation.....	-	-	-	-	-	-	-
Total other financing uses.....	<u>-</u>	<u>165</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45</u>	<u>-</u>
Total expenditures and other financing uses.....	<u>6</u>	<u>534</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>318</u>	<u>9,700</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	8	1,446	-	-	-	327	-
Fund balance (deficit) at beginning of year (restated).....	9	1,837	221	144	48	131	(35,033)
Fund balance (deficit) at end of year.....	<u>\$ 17</u>	<u>\$ 3,283</u>	<u>\$ 221</u>	<u>\$ 144</u>	<u>\$ 48</u>	<u>\$ 458</u>	<u>\$ (35,033)</u>

See accountants' review report

Non-budgeted Other Funds

Natural Heritage and Endangered Species	Massachusetts Mathematics, Science, Technology and Engineering Grant	Commonwealth Covenant	Massachusetts Alternative and Clean Energy Investment Trust	Regional Greenhouse Gas Initiative (RGGI) Auction Trust	Mosquito and Greenhead Fly Control	Ocean Resources and Waterways Trust	Off Highway Vehicle Program	Oil Overcharge	Environmental Trust
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	8,982	-	-	-	-
1,173	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
464	-	-	-	34,023	672	-	782	-	901
646	555	-	-	-	-	42	-	2	14
2,283	555	-	-	34,023	9,654	42	782	2	915
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
2,283	555	-	-	34,023	9,654	42	782	2	915
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	15	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
1,429	-	-	275	42,988	8,653	102	139	3	1,568
-	-	-	-	-	41	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	485	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
1,429	485	15	275	42,988	8,694	102	139	3	1,568
-	-	-	-	-	-	-	-	-	-
265	42	-	-	-	1,338	-	6	-	61
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	25	-	-	-	-	16	11	-	52
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
265	67	-	-	-	1,338	16	17	-	113
1,694	552	15	275	42,988	10,032	118	156	3	1,681
-	-	-	-	-	-	-	-	-	-
589	3	(15)	(275)	(8,965)	(378)	(76)	626	(1)	(766)
77	408	294	299	30,998	1,255	998	-	428	5,332
\$ 666	\$ 411	\$ 279	\$ 24	\$ 22,033	\$ 877	\$ 922	\$ 626	\$ 427	\$ 4,566

continued

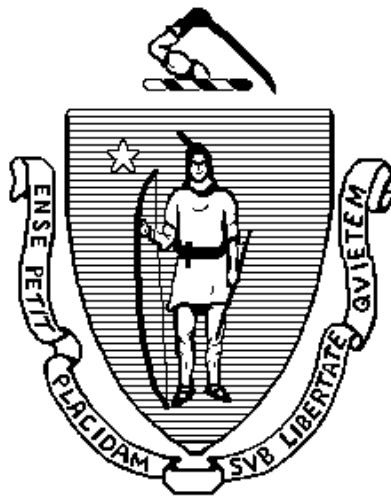
**Non-Budgeted Special Revenue Funds**  
 Combining Statements Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis

Fiscal Year Ended June 30, 2011  
 (Amounts in thousands)

	Non-budgeted Other Funds						
	Children's Trust	Child Support Enforcement	Massachusetts Military Family Relief	Department of Industrial Accidents Special	Massachusetts AIDS	Trust Fund for the Head Injury Treatment Services	Board of Registration in Medicine
<b>REVENUES AND OTHER FINANCING SOURCES</b>							
Revenues:							
Taxes.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assessments.....	-	-	-	20,153	-	-	-
Federal grants and reimbursements.....	-	18,123	-	-	-	-	-
Tobacco settlement revenue.....	-	-	-	-	-	-	-
Departmental.....	-	4,768	-	6,277	-	6,566	9,142
Miscellaneous.....	1	-	310	8	129	14	-
<b>Total revenues.....</b>	<b>1</b>	<b>22,891</b>	<b>310</b>	<b>26,438</b>	<b>129</b>	<b>6,580</b>	<b>9,142</b>
Other financing sources:							
Proceeds of refunding bonds.....	-	-	-	-	-	-	-
Operating transfers in.....	-	-	-	-	-	954	-
Commonwealth care trust transfer.....	-	-	-	-	-	-	-
Health safety net trust transfer.....	-	-	-	-	-	-	-
Medical assistance transfer.....	-	-	-	-	-	-	-
<b>Total other financing sources.....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>954</b>	<b>-</b>
<b>Total revenues and other financing sources.....</b>	<b>1</b>	<b>22,891</b>	<b>310</b>	<b>26,438</b>	<b>129</b>	<b>7,534</b>	<b>9,142</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>							
Expenditures:							
Judiciary.....	-	42	-	-	-	-	-
Inspector General.....	-	-	-	-	-	-	-
Governor and Lieutenant Governor.....	-	-	-	-	-	-	-
Secretary of the Commonwealth.....	-	-	-	-	-	-	-
Treasurer and Receiver-General.....	-	8	-	-	-	-	-
Attorney General.....	-	-	-	-	-	-	-
District Attorney.....	-	192	-	-	-	-	-
Office of Campaign and Political Finance.....	-	-	-	-	-	-	-
Sheriff's Departments.....	-	-	-	-	-	-	-
Disabled Persons Protection Commission.....	-	-	-	-	-	-	-
Board of Library Commissioners.....	-	-	-	-	-	-	-
Comptroller.....	-	-	-	-	-	-	-
Administration and finance.....	-	16,259	-	-	-	-	-
Energy and environmental affairs.....	-	-	-	-	-	-	-
Health and human services.....	-	-	-	-	163	6,225	5,425
Massachusetts department of transportation.....	-	-	-	-	-	-	-
Executive office of education.....	15	-	-	-	-	-	-
Public safety and homeland security.....	-	-	275	-	-	-	-
Housing and economic development.....	-	-	-	-	-	-	-
Labor and workforce development.....	-	32	-	7	-	-	-
Debt service:							
Principal retirement.....	-	-	-	-	-	-	-
Interest and fiscal charges.....	-	-	-	-	-	-	-
<b>Total expenditures.....</b>	<b>15</b>	<b>16,533</b>	<b>275</b>	<b>7</b>	<b>163</b>	<b>6,225</b>	<b>5,425</b>
Other financing uses:							
Fringe benefit cost assessment.....	4	73	-	4,147	-	164	1,027
Lottery operating reimbursements.....	-	-	-	-	-	-	-
Lottery distributions.....	-	-	-	-	-	-	-
Operating transfers out.....	4	56	-	18,094	-	52	478
Tobacco settlement transfer.....	-	-	-	-	-	-	-
Commonwealth care transfer.....	-	-	-	-	-	-	-
Health safety net trust transfer.....	-	-	-	-	-	-	-
Federal reimbursement transfer out.....	-	-	-	-	-	-	-
Equity transfer to Massachusetts department of transportation.....	-	-	-	-	-	-	-
<b>Total other financing uses.....</b>	<b>8</b>	<b>129</b>	<b>-</b>	<b>22,241</b>	<b>-</b>	<b>216</b>	<b>1,505</b>
<b>Total expenditures and other financing uses.....</b>	<b>23</b>	<b>16,662</b>	<b>275</b>	<b>22,248</b>	<b>163</b>	<b>6,441</b>	<b>6,930</b>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses....	(22)	6,229	35	4,190	(34)	1,093	2,212
Fund balance (deficit) at beginning of year (restated).....	282	45,977	739	7,952	195	1,983	2,105
<b>Fund balance (deficit) at end of year.....</b>	<b>\$ 260</b>	<b>\$ 52,206</b>	<b>\$ 774</b>	<b>\$ 12,142</b>	<b>\$ 161</b>	<b>\$ 3,076</b>	<b>\$ 4,317</b>

See accountants' review report

Massachusetts Department of Transportation									
Water Pollution Abatement Projects Administration	Child Care Quality	Convention and Exhibition Center	Firearms Fingerprint Identity Verification Trust	Grant Anticipation Note Trust	Massachusetts Transportation Trust	Central Artery/ Tunnel Project Maintenance Trust	Motor Vehicle Safety Inspection	Totals (Memorandum only)	
								2011	2010
\$ -	\$ -	\$ 84,905	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,680,656	\$ 1,621,109
-	-	-	-	-	-	-	-	517,048	572,585
3,087	-	-	-	617,265	34,194	-	-	3,779,789	3,940,562
-	-	-	-	-	-	-	-	248,741	263,678
-	292	258	1,091	-	390,681	-	30,424	5,496,462	5,157,923
7,343	-	1,579	-	6,145	9,938	6,747	20	90,639	184,709
10,430	292	86,742	1,091	623,410	434,813	6,747	30,444	11,813,335	11,740,566
-	-	-	-	406,453	-	-	-	406,453	-
-	-	-	-	30,028	388,900	1,252	-	503,342	455,089
-	-	-	-	-	-	-	-	739,012	636,685
-	-	-	-	-	-	-	-	30,000	313,295
-	-	-	-	-	-	-	-	886,101	1,712
-	-	-	-	436,481	388,900	1,252	-	2,564,908	1,406,781
10,430	292	86,742	1,091	1,059,891	823,713	7,999	30,444	14,378,243	13,147,347
-	-	-	-	-	-	-	-	1,257	1,238
-	-	-	-	-	-	-	-	281	882
-	-	-	-	-	98	-	-	98	-
-	-	-	-	-	-	-	-	5,238	4,184
-	-	-	-	161,536	174	-	-	5,395,164	5,300,897
-	-	-	-	-	-	-	-	8,547	9,022
-	-	-	-	-	-	-	-	3,330	2,899
-	-	-	-	-	-	-	-	1,390	-
-	-	-	-	-	579	-	-	7,008	3,908
-	-	-	-	-	-	-	-	106	251
-	-	-	-	-	-	-	-	3,229	2,877
-	-	-	-	-	-	-	-	2,067	1,601
-	-	77,136	-	-	-	-	-	128,690	122,733
7,053	-	-	-	-	1,956	-	872	143,938	163,233
-	-	-	-	-	28	-	-	2,750,463	2,002,904
-	-	-	-	-	604,843	22,368	20,644	648,957	550,661
-	-	-	-	-	-	-	-	1,399,350	1,443,041
-	-	-	936	-	590	-	-	197,631	200,602
-	-	-	-	-	61	-	-	693,014	677,532
-	-	-	-	-	-	-	-	364,172	351,951
-	-	-	-	374,105	-	-	-	380,395	159,912
-	-	35,391	-	37,601	-	-	-	76,402	89,875
7,053	-	112,527	936	573,242	608,329	22,368	21,516	12,210,727	11,090,203
1,644	-	-	-	-	38,323	-	1,208	132,188	104,974
-	-	-	-	-	-	-	-	86,391	88,938
-	-	-	-	-	-	-	-	881,817	893,806
2,431	-	-	-	-	1,717	2	275	159,285	310,374
-	-	-	-	-	-	-	-	248,741	263,678
-	-	-	-	-	-	-	-	-	5,000
-	-	-	-	-	-	-	-	30,000	-
-	-	-	-	458,410	-	-	-	458,410	610,061
-	-	-	-	-	-	-	-	-	357,049
4,075	-	-	-	458,410	40,040	2	1,483	1,996,832	2,633,880
11,128	-	112,527	936	1,031,652	648,369	22,370	22,999	14,207,559	13,724,083
(698)	292	(25,785)	155	28,239	175,344	(14,371)	7,445	170,684	(576,736)
1,194	665	131,096	2,164	359,376	509,654	417,027	(94)	1,813,232	2,389,968
\$ 496	\$ 957	\$ 105,311	\$ 2,319	\$ 387,615	\$ 684,998	\$ 402,656	\$ 7,351	\$ 1,983,916	\$ 1,813,232



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# Capital Projects Funds

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

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

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

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

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

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

## OTHER FUNDS:

These funds account for the proceeds of bonds used to finance land and transportation equipment for economic development.

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

## LOCAL AID FUNDS:

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

## MASSACHUSETTS DEPARTMENT OF TRANSPORTATION (MassDOT) FUNDS:

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

The following fund has been enacted in legislation but was inactive in FY11 and not presented in this report:

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

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

Fiscal Year Ended June 30, 2011  
 (Amounts in thousands)

	General Capital Projects	Convention and Exhibition Center Capital	Capital Improvements and Investment Trust	Highway Capital Projects
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Federal grants and reimbursements.....	\$ 8,372	\$ -	\$ -	\$ -
Departmental.....	-	-	-	-
Miscellaneous.....	-	-	1	(638)
Total revenues.....	<u>8,372</u>	<u>-</u>	<u>1</u>	<u>(638)</u>
Other financing sources:				
Proceeds of general obligation bonds.....	908,161	-	-	724,250
Proceeds of special obligation bonds.....	-	-	-	672,587
Proceeds of refunding bonds.....	210,796	-	1,440	163,924
Operating transfers in.....	-	-	-	-
Federal reimbursement transfer in.....	-	-	-	-
State share of federal highway construction.....	-	-	-	-
Total other financing sources.....	<u>1,118,957</u>	<u>-</u>	<u>1,440</u>	<u>1,560,761</u>
Total revenues and other financing sources.....	<u>1,127,329</u>	<u>-</u>	<u>1,441</u>	<u>1,560,123</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Judiciary.....	18,950	-	-	-
Inspector General.....	-	-	-	-
Secretary of the Commonwealth.....	1,523	-	-	-
Treasurer and Receiver-General.....	10,646	-	-	-
Attorney General.....	1,011	-	-	155
Sheriff's Departments.....	1,305	-	-	-
Board of Library Commissioners.....	9,066	-	-	-
Comptroller.....	1,149	-	-	-
Administration and finance.....	524,110	-	-	-
Energy and environmental affairs.....	141,032	-	28	6,674
Health and human services.....	24,475	-	-	-
Massachusetts department of transportation.....	46,800	-	-	751,713
Executive office of education.....	17,880	-	-	-
Public safety and homeland security.....	32,047	-	-	-
Housing and economic development.....	198,300	-	-	27,117
Labor and workforce development.....	7,732	-	-	-
Debt service:				
Interest and fiscal charges.....	-	-	-	7,080
Total expenditures.....	<u>1,036,026</u>	<u>-</u>	<u>28</u>	<u>792,739</u>
Other financing uses:				
Payments to refunded bond escrow agent.....	210,796	-	1,440	163,924
Fringe benefit cost assessment.....	11,114	-	-	27,783
Operating transfers out.....	-	-	-	613
State share of federal highway construction.....	-	-	-	57,809
Equity transfer to Massachusetts department of transportation	-	-	-	-
Total other financing uses.....	<u>221,910</u>	<u>-</u>	<u>1,440</u>	<u>250,129</u>
Total expenditures and other financing uses.....	<u>1,257,936</u>	<u>-</u>	<u>1,468</u>	<u>1,042,868</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	(130,607)	-	(27)	517,255
Fund balance (deficit) at beginning of year (restated).....	221,982	8,393	(94)	(485,678)
Fund balance (deficit) at end of year.....	<u>\$ 91,375</u>	<u>\$ 8,393</u>	<u>\$ (121)</u>	<u>\$ 31,577</u>

See accountants' review report

Federal Highway Construction Program	Government Land Bank Capital Projects	Local Capital Projects	MassDOT Central Artery Statewide Road and Bridge Infrastructure	Totals (Memorandum only)	
				2011	2010
				\$ 160,540	\$ -
285	-	-	525	810	15,497
-	-	-	524	(113)	8,168
<u>160,825</u>	<u>-</u>	<u>-</u>	<u>1,049</u>	<u>169,609</u>	<u>41,716</u>
-	634	6	-	1,633,051	1,671,683
-	-	-	-	672,587	-
-	-	116,761	47,279	540,200	2,544,103
-	-	-	47	47	85,881
458,410	-	-	-	458,410	610,061
57,809	-	-	-	57,809	175,782
<u>516,219</u>	<u>634</u>	<u>116,767</u>	<u>47,326</u>	<u>3,362,104</u>	<u>5,087,510</u>
<u>677,044</u>	<u>634</u>	<u>116,767</u>	<u>48,375</u>	<u>3,531,713</u>	<u>5,129,226</u>
-	-	-	-	18,950	20,035
-	-	-	-	-	65
30	-	-	-	1,553	1,542
-	-	-	-	10,646	6,227
294	-	-	-	1,460	3,149
-	-	-	-	1,305	3,446
-	-	-	-	9,066	6,141
-	-	-	-	1,149	2,914
652	1,489	7	-	526,258	424,640
1,751	-	14	96	149,595	163,378
-	-	-	-	24,475	34,934
665,615	-	-	4,567	1,468,695	1,583,301
-	-	-	-	17,880	25,365
-	-	-	-	32,047	31,838
-	-	-	-	225,417	208,452
3	-	-	-	7,735	9,084
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,080</u>	<u>7,080</u>
<u>668,345</u>	<u>1,489</u>	<u>21</u>	<u>4,663</u>	<u>2,503,311</u>	<u>2,531,591</u>
-	-	116,761	47,279	540,200	2,619,322
9,085	-	-	-	47,982	19,302
-	-	-	-	613	-
-	-	-	-	57,809	175,782
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,348</u>
<u>9,085</u>	<u>-</u>	<u>116,761</u>	<u>47,279</u>	<u>646,604</u>	<u>2,924,754</u>
<u>677,430</u>	<u>1,489</u>	<u>116,782</u>	<u>51,942</u>	<u>3,149,915</u>	<u>5,456,345</u>
(386)	(855)	(15)	(3,567)	381,798	(327,119)
-	-	21	72,816	(182,560)	144,559
<u>\$ (386)</u>	<u>\$ (855)</u>	<u>\$ 6</u>	<u>\$ 69,249</u>	<u>\$ 199,238</u>	<u>\$ (182,560)</u>



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# *Supplemental Information*

*(Unaudited)*



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

## Calculation of Transfers: Stabilization Fund

June 30, 2011  
(Amounts are in thousands)

This statement is prepared on the statutory basis of accounting pursuant to General Laws Chapter 29, Section 5c, as most recently amended by Section 171 of Chapter 68 of the Acts of 2011, which superceded certain parts of the Section 5c. It presents information contained in the official books and accounting records of the Commonwealth. Financial statements supporting this calculation are presented in the Financial Section of this report.

	<u>General</u>	<u>Commonwealth Transportation</u>	<u>Workforce Training</u>	<u>Massachusetts Tourism</u>	<u>Commonwealth Substance Abuse Prevention &amp; Treatment</u>	<u>Marine Recreational Fisheries Development</u>	<u>Total</u>
<b>Undesignated Budgeted Fund Balances Before Transfers</b>	\$ 425,882	\$ 60,498	\$ 3,834	\$ 36,682	\$ (64,732)	\$ 319	\$ 462,483
<b>Fund Balance Deficit Elimination Transfers Per Ch. 29, Sec. 5c</b>	(52,290)	(7,428)	(471)	(4,504)	64,732	(39)	-
<b>Fund Balances after Deficit Elimination Transfers per Ch. 29, Sec. 5c (Consolidated Net Surplus)</b>	<b>373,592</b>	<b>53,070</b>	<b>3,364</b>	<b>32,178</b>	-	<b>280</b>	<b>462,483</b>
<b>Statutory Carryforwards and Transfers</b>							
1/2 of 1% of Tax Revenue Carryforward per Sec. 171 of Ch. 68 of Acts of 2011 (see Schedule A) and per Ch 29, Sec. 5c	(83,912)	(11,920)	(755)	(7,227)	-	(63)	(103,878)
1/2 of 1% of Tax Revenue Deposited in Stabilization Fund per Sec. 171 of Ch. 68 of Acts of 2011 (see Schedule A) and per Ch 29, Sec. 5c	(83,912)	(11,920)	(755)	(7,227)	-	(63)	(103,878)
\$10 Million Transfer from General to Massachusetts Life Sciences Investment Fund per Sec. 171 of Ch. 68 of the Acts of 2011	(10,000)	-	-	-	-	-	(10,000)
<b>Remaining Consolidated Net Surplus to be Deposited in Stabilization Fund</b>	<b>195,767</b>	<b>29,230</b>	<b>1,853</b>	<b>17,723</b>	-	<b>154</b>	<b>244,727</b>
<b><u>Stabilization Balance Reconciliation:</u></b>							
Balance as of July 1, 2010.....							\$ 669,803
Capital Gains Tax Transfers to Stabilization Fund during FY 2011 per Chapter 29, Section 5G.....							-
Investment income, certain tax revenues and other recoveries.....							10,663
Less: Transfers from Stabilization Fund							
Investment Income per Sec. 143 of Ch. 131 of the Acts of 2010.....							(7,089)
Change in Market Value per Sec. 143 of Ch. 131 of the Acts of 2010.....							(1,955)
Total Transfers from Stabilization Fund during FY 2011 .....							(9,044)
Transfer to Stabilization Fund from Temporary Holding Fund, per Chapter 62F, Section 6A .....							9,044
Transfer to Stabilization Fund per Sec. 92 of Ch. 142 of the Acts of 2011.....							350,000
Transfer Equal to 1/2 of 1% of Tax Revenues, per Sec. 171 of Ch. 68 of Acts of 2011.....							103,878
Remaining Consolidated Net Surplus Deposited in Stabilization Fund, per Calculation Above.....							<u>244,727</u>
<b>Stabilization Fund Balance as of June 30, 2011.....</b>							<b>\$ 1,379,071</b>

## Calculation Of Transfers: Tax Reduction Fund

June 30, 2011  
(Amounts in thousands)

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

The computation is as follows:

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

Undesignated fund balance in the Stabilization Fund.....	\$ 1,379,071
Allowable Stabilization Fund balance (per Schedule B).....	4,961,300
	-
Stabilization Fund excess, if any, transferable to Tax Reduction Fund.....	\$ -

Part 2: Status of Stabilization Fund after transfers:

Stabilization Fund balance.....	\$ 1,379,071
Transfer to Tax Reduction Fund.....	-
Stabilization Fund balance after transfer to Tax Reduction Fund.....	\$ 1,379,071

Part 3: Status of Tax Reduction Fund after transfers:

Tax Reduction Fund balance.....	\$ -
Transfers from Stabilization Fund.....	-
Tax Reduction Fund balance after transfers.....	\$ -

**Schedule A**  
**FY2011 Tax Revenues By Revenue Class and**  
**Calculation of Allowable Net Surplus**

June 30, 2011  
(Amounts in thousands)

Alcoholic Beverages.....	\$	72,733
Banks: Financial Institutions *.....		(11,039)
Cigarette.....		453,566
Corporations.....		1,951,444
Deeds.....		140,202
Estate and Inheritance.....		309,638
Commonwealth Care - cigarette excise.....		144,897
Income.....		11,576,049
Insurance.....		296,022
Motor and Special Fuels.....		660,829
Public Utilities.....		(8,834)
Room Occupancy.....		166,226
Sales and Use.....		4,920,521
Club Alcoholic Beverages.....		928
Motor Vehicle Excise.....		61
Convention Center Surcharges.....		13,338
Community Preservation.....		26,638
Satellite.....		13,283
State Racing.....		1,457
Beano .....		2,038
Raffles and Bazaars.....		1,077
Boxing.....		247
DOI Excess and Surplus Lines.....		23,822
UI Surcharge.....		20,448
FY 2011 state tax revenue.....	\$	<u>20,775,591</u>
0.5% of total tax revenue.....		103,878
Allowable consolidated net surplus .....	\$	<u>103,878</u>

This schedule is prepared on the statutory basis of accounting. It presents tax revenues as reported in the governmental funds of the Commonwealth. It differs from the schedule of tax collections prepared by the Comptroller, Commissioner of Revenue and State Auditor for calculations in accordance with Chapter 62F, of the General Laws as amended.

\*Negative amounts in Banks: Financial Institutions and Public Utilities taxes primarily due to a change in corporate tax law, which resulted in some taxes in these categories being paid under the Corporations Tax.



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

June 30, 2011  
(Amounts in thousands)

Total budgeted revenues and other financial resources pertaining to the budgeted funds.....	\$	36,536,266
Elimination of budgetary interfund activity exclusive of fund closure (per Schedule C).....		(3,460,933)
Budgeted revenues and other financial resources pertaining to the budgeted funds.....		33,075,333
Allowable Stabilization Fund balance, 15% of budgeted revenue.....	\$	4,961,300

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

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

June 30, 2011  
(Amounts in thousands)

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Adjustments to revenues :	
Transfer to the Intragovernmental Service Fund Revenues.....	\$ (286,079)
Adjustments to other financing sources and uses:	
Fringe benefit cost assessments.....	(4,326)
Transfer from the Intragovernmental Service Fund to the General Fund.....	(3,073)
RMV license -plates.....	(3,002)
Transfer from Stabilization Fund to General Fund.....	(9,044)
Transfer from Budgeted Funds to Stabilization Fund.....	(350,000)
Year end Stabilization Fund Transfer.....	(348,605)
Other Fund Deficit Transfers.....	(64,732)
Build America Bonds transfer.....	(5,405)
Transfer to fund lottery aid payment.....	(11,705)
Excess Permissible Tax Revenue transfer from General Fund To Temporary Holding Fund .....	(1,187,394)
Year end Permissible Tax Revenue transfer from Temporary Holding Fund to General Fund.....	(1,187,394)
Other .....	(174)
Elimination of budgetary interfund activity	<u>\$ (3,460,933)</u>

## Schedule D Calculation of Transfers: Temporary Holding Fund

June 30, 2011  
(Amounts in thousands)

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

Period Ending:	September 30, 2010	December 31, 2010	March 31, 2011	June 30, 2011
Cumulative net state tax revenues, 2011 .....	\$ 4,819,581	\$ 9,732,050	\$ 14,550,178	\$ 20,776,233
Cumulative net state tax revenues, 2010.....	4,374,038	8,834,580	13,358,852	18,792,777
Permissible growth rate defined as inflation plus 2%, but not less than 0% *.....	2.57%	3.47%	4.04%	4.24%
Permissible state tax revenues defined as cumulative net state tax revenues, 2010 multiplied by 1 plus the permissible growth rate.....	4,486,538	9,140,698	13,898,416	19,588,839
<b>Cumulative net state tax revenues 2011 in excess of permissible state tax revenues.....</b>	<b>\$ 333,042</b>	<b>\$ 591,352</b>	<b>\$ 651,763</b>	<b>\$ 1,187,394</b>

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

# Non-Tax Revenue Initiatives

June 30, 2011  
(Amounts in thousands)

Chapter 653, Acts of 1989, amended Chapter 29 of the Massachusetts General Laws by adding Sections 29D and 29E, which authorize revenue initiatives and require reporting thereon, as follows.

**I. Debt Collection:**

Pursuant to Massachusetts General Laws Chapter 29, Section D, Chapter 7A Section 8, allows private debt collection agencies to engage in debt collection for the Commonwealth. The fees paid are contingency based from the proceeds collected. Collections and fees paid during FY11 were (amounts in thousands):

<u>Department Collectors</u>	<u>Collections</u>	<u>Fees</u>
Collecto, Inc.....	\$ 2,149	\$ 367
Delta.....	313	53
Glenn Associates, Inc.....	810	135
NCO.....	46	1
Windham Professionals.....	553	122
	0	
Total.....	<u>\$ 3,871</u>	<u>\$ 678</u>

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

<u>Department Collectors</u>	<u>Collections</u>	<u>Fees</u>
Collecto, Inc.....	\$ 1,790	\$ 303
Delta.....	271	46
Glenn Associates, Inc.....	756	126
Windham Professionals.....	547	121
Total.....	<u>\$ 3,364</u>	<u>\$ 596</u>

**II. Revenue Maximization:**

Pursuant to Massachusetts General Law Chapter 29 Section 29E, contractors were engaged on a contingent fee basis Transfer to Stabilization Fund from Temporary Holding Fund, per Chapter 62F, Section 6A tax revenues. During FY11, the following amounts were generated (amounts in thousands):

Gross revenue maximixation realized.....	\$ 509,499
Contractor payments.....	<u>26,299</u>
Net revenue maximization realized.....	<u>\$ 535,798</u>

**III. Cost Avoidance:**

The Comptroller's appropriation authorizes contract arrangements engaged on a contingent fee basis for the purpose of identification and pursuit of cost saving / avoidance opportunities. During FY11, the following amounts were generated (amounts in thousands):

State expenditures avoided.....	\$ 221,157
Contractor payments.....	<u>14,475</u>
Net cost savings / avoidance.....	<u>\$ 235,632</u>

**IV. Intercept:**

Intercept is authorized by M.G.L. Chapter 7A Section 3 and 815 CMR 9:06. Intercept is an automated process that offsets Commonwealth payments to delinquent receivables that have been approved by the Office of the State Comptroller. FY11 activity (amounts in thousands):

Total Commonwealth intercepts.....	\$ 8,574
Amounts included above that were intercepted on behalf of the Institutions of Higher Education.....	\$ 4,529

## Schedule of Post Employment Benefits

(Amounts in thousands except for percentages)

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

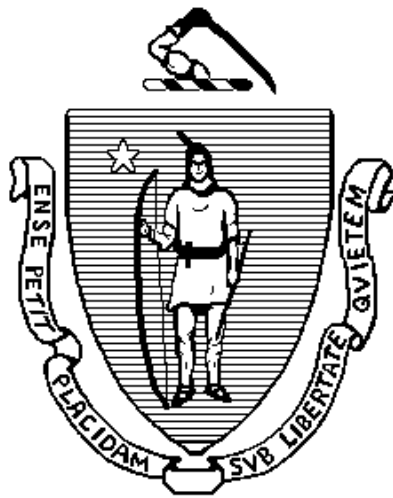
	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Unfunded Actuarial Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Covered Payroll
<b>State Employees' Retirement System</b>						
Actuarial Valuation as of January 1, 2011....	\$ 21,244,900	\$ 26,242,776	\$ 4,997,876	81.0%	\$ 4,808,250	103.9%
Actuarial Valuation as of January 1, 2010....	19,019,062	24,862,421	5,843,359	76.5%	4,711,563	124.0%
Actuarial Valuation as of January 1, 2009....	16,992,214	23,723,240	6,731,026	71.6%	4,712,655	142.8%
Actuarial Valuation as of January 1, 2008....	20,400,656	22,820,502	2,419,846	89.4%	4,574,233	52.9%
Actuarial Valuation as of January 1, 2007....	18,445,225	21,670,810	3,225,585	85.1%	4,391,891	73.4%
Actuarial Valuation as of January 1, 2006....	16,638,043	20,406,926	3,768,883	81.5%	4,200,577	89.7%
<b>Teachers' Retirement System</b>						
Actuarial Valuation as of January 1, 2011....	\$ 23,117,952	\$ 34,890,991	\$ 11,773,039	66.3%	\$ 5,558,311	211.8%
Actuarial Valuation as of January 1, 2010....	21,262,462	33,738,966	12,476,504	63.0%	5,509,698	226.4%
Actuarial Valuation as of January 1, 2009....	18,927,731	32,543,782	13,616,051	58.2%	5,389,895	252.6%
Actuarial Valuation as of January 1, 2008....	22,883,553	30,955,504	8,071,951	73.9%	5,163,498	156.3%
Actuarial Valuation as of January 1, 2007....	20,820,392	29,320,714	8,500,322	71.0%	4,969,092	171.1%
Actuarial Valuation as of January 1, 2006....	18,683,295	27,787,716	9,104,421	67.2%	4,819,325	188.9%

For a complete analysis of the Commonwealth's actuarial valuation report, please go to <http://www.mass.gov/perac/valuation/2011commonwealth.pdf>. Alternatively, copies of the Commonwealth's actuarial valuation may be obtained by contacting the Massachusetts Public Employee Retirement Administration Commission, 5 Middlesex Avenue, Suite 304, Somerville, MA 02145. Telephone number: 617-666-4446.

### State Retiree Benefits Trust Fund

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

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



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# *Statistical Section*

## *(Unaudited)*



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

See review report

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

June 30, 2011  
(Amounts in millions)

	2011	%	2010	%	2009	%	2008	%
		Total		Total		Total		Total
Taxes.....	\$ 20,776	38.2	\$ 18,792	40.3	\$ 18,513	38.8	\$ 21,009	44.6
Federal reimbursements.....	10,151	18.6	9,374	20.1	9,139	19.1	6,937	14.7
Federal grants.....	3,097	5.7	3,134	6.7	2,646	5.5	2,065	4.4
Lotteries.....	4,632	8.5	4,629	9.9	4,649	9.7	4,915	10.4
Assessments.....	960	1.8	971	2.1	894	1.9	806	1.7
Motor vehicle licenses and registrations.....	497	0.9	463	1.0	383	0.8	376	0.8
Fees, investment earnings, etc.....	3,462	6.4	2,830	6.0	2,800	5.9	3,200	6.8
Proceeds of general and special obligation bonds and related premiums.....	2,306	4.2	1,672	3.6	2,141	4.5	1,306	2.8
Proceeds of refunding bonds.....	947	1.7	538	1.2	390	0.8	-	0.0
Other interfund transfers.....	7,618	14.0	4,233	9.1	6,197	13.0	6,538	13.9
Total revenues and other financing sources.....	<u>\$ 54,446</u>	<u>100.0</u>	<u>\$ 46,636</u>	<u>100.0</u>	<u>\$ 47,752</u>	<u>100.0</u>	<u>\$ 47,152</u>	<u>100.0</u>

For FY2010, this schedule reflects Budgeted, Non-Budgeted and Capital Projects revenues and other financing sources only.



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2007	% Total	2006	% Total	2005	% Total	2004	% Total	2003	% Total	2002	% Total
\$ 19,849	44.4	\$ 18,593	43.9	\$ 17,192	40.7	\$ 16,055	36.8	\$ 15,032	36.2	\$ 14,341	39.6
6,830	15.3	6,307	14.9	6,018	14.3	6,331	14.5	5,528	13.3	5,237	14.5
1,989	4.5	2,046	4.8	1,996	4.7	2,024	4.6	1,852	4.5	1,595	4.4
4,670	10.4	4,739	11.2	4,705	11.2	4,605	10.6	4,425	10.7	4,425	12.2
794	1.8	793	1.9	785	1.9	746	1.7	634	1.5	582	1.6
374	0.8	361	0.9	401	1.0	376	0.9	383	0.9	326	0.9
2,450	5.6	2,891	6.8	2,945	6.8	2,556	5.9	2,140	5.2	2,122	5.9
1,604	3.6	1,838	4.3	1,354	3.2	1,993	4.6	1,911	4.6	1,358	3.7
1,531	3.4	633	1.5	1,385	3.3	3,302	7.6	3,398	8.2	1,501	4.1
4,605	10.3	4,145	9.8	5,409	12.8	5,629	12.9	6,173	14.9	4,749	13.1
<u>\$ 44,696</u>	<u>100.0</u>	<u>\$ 42,346</u>	<u>100.0</u>	<u>\$ 42,190</u>	<u>100.0</u>	<u>\$ 43,617</u>	<u>100.0</u>	<u>\$ 41,476</u>	<u>100.0</u>	<u>\$ 36,236</u>	<u>100.0</u>

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

June 30, 2011  
(Amounts in millions)

	2011	%	2010	%	2009	%	2008	%
		Total		Total		Total		Total
Income.....	11,576	55.7	\$ 10,110	53.8	\$ 10,584	57.2	\$ 12,484	59.4
Sales and use.....	4,921	23.7	4,626	24.6	3,880	21.0	4,098	19.5
Corporations.....	1,951	9.4	1,600	8.5	1,549	8.4	1,512	7.2
Motor fuels.....	661	3.2	655	3.5	654	3.5	673	3.2
Cigarette.....	454	2.2	456	2.4	457	2.5	437	2.1
Insurance.....	296	1.4	285	1.5	309	1.7	369	1.8
Estate and inheritance.....	310	1.5	221	1.2	260	1.4	254	1.2
Banks: Financial Institutions *.....	(11)	-0.1	235	1.3	243	1.3	548	2.6
Alcoholic beverages.....	73	0.4	72	0.4	73	0.4	72	0.3
Other.....	545	3	532	2.8	504	2.6	562	2.7
<b>Total taxes.....</b>	<b>20,776</b>	<b>\$ 100</b>	<b>\$ 18,792</b>	<b>100.0</b>	<b>\$ 18,513</b>	<b>100.0</b>	<b>\$ 21,009</b>	<b>100.0</b>

This schedule reflects Budgeted, Non-Budgeted and Capital Projects revenues and other financing sources only.

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

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	2007	% Total	2006	% Total	2005	% Total	2004	% Total	2003	% Total	2002	% Total
\$	11,400	57.4	\$ 10,483	56.4	\$ 9,690	56.4	\$ 8,830	55.0	\$ 8,026	53.4	\$ 7,913	55.2
	4,076	20.5	4,009	21.6	3,891	22.6	3,743	23.3	3,708	24.7	3,696	25.8
	1,588	8.0	1,391	7.5	1,063	6.2	998	6.2	875	5.8	587	4.2
	676	3.4	672	3.6	685	4.0	684	4.3	676	4.5	667	4.7
	438	2.2	435	2.3	424	2.5	425	2.6	451	3.0	275	1.9
	369	1.9	397	2.1	373	2.2	374	2.3	345	2.3	348	2.4
	250	1.3	196	1.1	255	1.5	195	1.2	181	1.2	200	1.4
	341	1.7	350	1.9	199	1.2	239	1.5	269	1.8	137	1.0
	71	0.4	70	0.4	69	0.4	69	0.4	67	0.5	66	0.5
	640	3.2	590	3.1	543	3.3	498	3.2	434	2.9	452	3.2
<b>\$</b>	<b>19,849</b>	<b>100.0</b>	<b>\$ 18,593</b>	<b>100.0</b>	<b>\$ 17,192</b>	<b>100.0</b>	<b>\$ 16,055</b>	<b>100.0</b>	<b>\$ 15,032</b>	<b>100.0</b>	<b>\$ 14,341</b>	<b>100.0</b>

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

June 30, 2011  
(Amounts in millions)

	2011	% Total	2010	% Total	2009	% Total	2008	% Total
Legislature.....	\$ 58	0.1	\$ 59	0.1	\$ 60	0.1	\$ 58	0.1
Judiciary.....	788	1.5	788	1.7	814	1.6	831	1.7
Inspector General.....	3	-	4	-	3	-	3	-
Governor and Lieutenant Governor.....	5	-	5	-	8	-	9	-
Secretary of the Commonwealth.....	46	0.1	54	0.1	53	0.1	53	0.1
Treasurer and Receiver-General.....	5,610	10.6	5,483	11.5	6,043	12.2	5,640	11.8
Auditor of the Commonwealth.....	17	0.0	17	-	20	-	19	-
Attorney General.....	51	0.1	53	0.1	57	0.1	56	0.1
Ethics Commission.....	2	-	2	-	2	-	2	-
District Attorney.....	97	0.2	96	0.2	104	0.2	104	0.2
Office of Campaign and Political Finance.....	3	-	1	-	1	-	1	-
Sheriff's Departments.....	511	1.0	378	0.8	295	0.6	296	0.7
Disabled Persons Protection Commission.....	2	-	2	-	3	-	2	-
Board of Library Commissioners.....	34	0.1	34	0.1	48	0.1	46	0.1
Comptroller.....	14	-	15	-	14	-	14	-
Administration and finance.....	7,206	13.7	7,040	14.8	6,892	14.2	7,059	14.8
Energy and environmental affairs.....	482	0.9	529	1.1	526	1.1	473	1.0
Housing and community development.....	-	-	-	-	-	-	-	-
Health and human services.....	17,737	33.5	16,044	33.7	16,468	33.3	15,504	32.5
Transportation and public works.....	-	-	509	1.1	1,689	3.4	1,378	2.9
Massachusetts department of transportation.....	2,278	4.3	1,542	3.2	-	-	-	-
Executive office of education.....	3,225	6.1	3,184	6.7	3,390	6.9	2,989	6.3
Public safety and homeland security.....	1,172	2.2	1,308	2.7	1,456	2.9	1,381	2.9
Housing and economic development.....	1,283	2.4	1,245	2.6	981	2.0	857	1.8
Labor and workforce development.....	428	0.8	403	0.8	331	0.7	274	0.6
Elder affairs.....	-	-	-	-	-	-	-	-
Consumer affairs.....	-	-	-	-	-	-	-	-
Labor.....	-	-	-	-	-	-	-	-
Post employment benefits.....	1,839	3.5	1,749	3.7	1,314	2.7	1,399	2.9
Debt service.....	2,128	4.0	2,117	4.5	2,145	4.3	2,239	4.7
Payments to refunded bond escrow agent.....	540	1.0	538	1.1	-	-	-	-
Other fund deficit support.....	-	-	-	-	220	0.4	1,593	3.3
Other interfund transfers.....	7,337	13.9	4,373	9.2	6,456	13.1	5,403	11.3
Total expenditures and other financing uses.....	\$ 52,896	100	\$ 47,572	100	\$ 49,393	100	\$ 47,683	100

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

For FY2010, this schedule reflects Budgeted, Non-Budgeted and Capital Projects revenues and other financing sources only.

2007	% Total	2006	% Total	2005	% Total	2004	% Total	2003	% Total	2002	% Total
\$ 59	0.1	\$ 55	0.1	\$ 54	0.1	\$ 51	0.1	\$ 55	0.1	\$ 59	0.2
788	1.8	672	1.6	634	1.5	599	1.4	589	1.4	589	1.5
3	-	3	-	4	-	2	-	2	-	2	-
5	-	5	-	5	-	5	-	5	-	6	-
55	0.1	45	0.1	50	0.1	45	0.1	49	0.1	41	0.1
5,267	11.7	5,635	13.6	5,760	13.7	4,600	11.1	4,416	10.5	4,398	11.4
18	-	19	-	18	-	16	-	17	-	16	-
52	0.1	49	0.1	45	0.1	44	0.1	45	0.1	47	0.1
2	-	1	-	2	-	1	-	1	-	2	-
96	0.2	88	0.2	82	0.2	81	0.2	79	0.2	88	0.2
2	-	1	-	1	-	1	-	1	-	2	-
275	0.6	251	0.6	226	0.5	218	0.5	216	0.5	217	0.6
2	-	2	-	2	-	2	-	2	-	2	-
42	0.1	49	0.1	47	0.1	48	0.1	46	0.1	58	0.2
14	-	14	0.0	21	-	35	0.1	21	-	11	-
7,043	15.7	6,601	16.1	6,235	14.8	6,184	15.0	6,241	14.9	6,315	16.4
450	1.0	390	0.9	346	0.8	336	0.8	357	0.9	440	1.1
509	1.1	659	1.6	597	1.4	589	1.4	568	1.4	533	1.4
14,456	32.2	13,539	32.6	13,383	31.8	12,504	30.1	11,338	27.0	11,124	28.9
1,404	3.1	1,376	3.3	1,569	3.7	1,586	3.8	1,844	4.4	2,052	5.3
-	-	-	-	-	-	-	-	-	-	-	-
2,936	6.5	2,726	6.6	2,250	5.4	2,481	6.0	2,589	6.2	2,648	6.9
1,253	2.8	1,180	2.8	1,111	2.6	1,160	2.8	1,156	2.8	1,138	3.0
508	1.1	323	0.8	299	0.7	326	0.8	31	0.1	36	0.1
67	0.1	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	315	0.8	304	0.8
-	-	-	-	-	-	-	-	55	0.1	58	0.2
-	-	-	-	-	-	-	-	282	0.7	237	0.6
1,335	3.0	1,275	3.1	1,217	2.9	702	1.7	813	1.9	796	2.1
2,352	5.2	2,028	4.9	1,719	4.1	1,605	3.9	1,467	3.5	1,382	3.6
1,531	3.4	633	1.5	1,153	2.7	2,833	6.8	3,398	8.1	1,277	3.3
-	-	-	-	-	-	-	-	-	-	-	-
4,383	9.8	3,887	9.4	5,197	12.4	5,503	13.2	5,963	14.2	4,626	12.0
<u>\$ 44,907</u>	<u>100</u>	<u>\$ 41,506</u>	<u>100.0</u>	<u>\$ 42,027</u>	<u>100.0</u>	<u>\$ 41,556</u>	<u>100.0</u>	<u>\$ 41,961</u>	<u>100.0</u>	<u>\$ 38,504</u>	<u>100.0</u>

**Ten-Year Schedule Of Budgeted Funds Expenditures and Other Uses By  
Major Program Category**  
June 30, 2011  
(Amounts in millions)

	2011	2010	2009	2008*	2007	2006	2005	2004	2003	2002
Direct local aid.....	\$ 4,785	\$ 4,837	\$ 4,724	\$ 5,040	\$ 5,033	\$ 4,619	\$ 4,477	\$ 4,784	\$ 5,069	\$ 5,189
Medicaid.**.....	10,237	9,287	8,537	8,104	7,413	6,726	5,857	5,742	5,485	5,259
Other health and human services.....	4,615	4,616	4,970	5,014	-	-	-	-	-	-
Public assistance.....	-	-	-	-	1,258	1,129	1,095	1,019	1,019	1,030
Elementary and secondary education.....	349	358	496	486	-	-	-	-	-	-
Higher education.....	943	846	1,036	1,085	1,116	988	915	831	969	1,030
Early education and care.....	515	513	560	550	-	-	-	-	-	-
Public safety.....	905	1,053	1,224	1,265	-	-	-	-	-	-
Energy and environment.....	186	202	216	227	-	-	-	-	-	-
MBTA and regional transit authorities.....	-	-	-	-	52	50	49	53	42	49
Post employment benefits.....	1,839	1,749	1,314	1,399	1,335	1,275	1,217	702	813	796
Group health insurance.....	1,130	1,064	973	853	1,022	964	846	788	739	717
Debt service.....	1,664	1,860	1,891	1,868	2,085	1,666	1,581	1,420	1,374	1,305
<b>Major programs.....</b>	<b>27,168</b>	<b>26,385</b>	<b>25,941</b>	<b>25,891</b>	<b>19,314</b>	<b>17,417</b>	<b>16,037</b>	<b>15,339</b>	<b>15,510</b>	<b>15,375</b>
Other program expenditures.....	2,851	2,999	2,762	2,739	8,343	7,777	7,247	6,819	6,700	7,254
Interfund transfers and other uses.....	5,520	1,810	3,867	4,405	1,819	1,749	2,726	2,749	3,540	2,046
<b>Total expenditures and other uses.....</b>	<b>\$ 35,539</b>	<b>\$ 31,194</b>	<b>\$ 32,570</b>	<b>\$ 33,035</b>	<b>\$ 29,476</b>	<b>\$ 26,943</b>	<b>\$ 26,010</b>	<b>\$ 24,907</b>	<b>\$ 25,750</b>	<b>\$ 24,675</b>

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

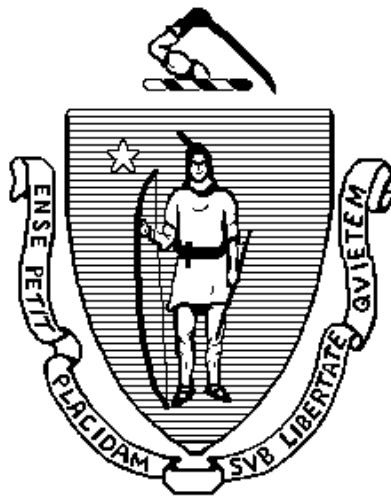
\*\* Exclusive of Non-Budgeted Medicaid spending from FY03 through FY2007 within the Health Care Quality Improvement Fund totalling \$201 million, \$288 million, \$292 million, \$292 million and \$290 million in FY03 through FY07 respectively.

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

Fiscal Year Ended June 30, 2011  
(Amounts in millions)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General obligation bonds.....	\$18,428	\$17,683	\$17,052	\$ 16,085	\$ 16,033	\$ 15,393	\$ 14,492	\$ 14,143	\$ 13,651	\$ 12,618
Grant anticipation notes*.....	766	991	1,134	1,536	1,666	1,789	1,907	1,907	1,499	1,499
Special obligation bonds.....	1,592	1,053	1,079	1,113	1,249	1,279	1,458	1,332	813	838
Commonwealth long-term bonds...	\$ 20,786	\$ 19,727	\$ 19,265	\$ 18,734	\$ 18,948	\$ 18,461	\$ 17,857	\$ 17,382	\$ 15,963	\$ 14,955

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



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# ***HIGHER EDUCATION NON- APPROPRIATED ACTIVITY***

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

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

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

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

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

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

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

Fiscal Year Ended June 30, 2011  
(Amounts in thousands)

	University	State	Community	TOTALS	
	of Massachusetts	Universities and Colleges	Colleges	2011*	2010
<b>Revenues and other financing sources</b>					
Federal grants and reimbursements.....	\$ 401,416	\$ 48,137	\$ 177,793	\$ 627,346	\$ 547,793
Departmental revenue.....	978,739	377,283	339,288	1,695,310	1,532,550
Miscellaneous revenue.....	1,030,766	332,871	255,009	1,618,646	1,643,441
Total revenues and other financing sources.....	2,410,921	758,291	772,090	3,941,302	3,723,784
<b>Expenditures and other financing uses</b> (by MMARS subsidiary):					
AA Regular employee compensation.....	561,660	101,034	138,658	801,352	784,991
BB Regular employee related expenses.....	21,729	3,730	3,368	28,827	30,029
CC Special employees and contracted services.....	219,923	103,632	185,161	508,716	468,399
DD Pension and insurance.....	174,804	30,495	35,464	240,763	237,272
EE Administrative expenditures.....	90,283	46,092	59,458	195,833	203,644
FF Facility operational supplies.....	171,378	13,705	22,625	207,708	211,722
GG Energy costs and space rental.....	130,688	30,716	21,719	183,123	156,489
HH Consultant services.....	208,171	11,759	8,159	228,089	221,322
JJ Operational services.....	36,440	28,637	6,842	71,919	61,203
KK Equipment purchase.....	20,193	8,066	12,253	40,512	51,382
LL Equipment leases, maintenance and repair.....	22,632	8,058	7,626	38,316	37,922
MM Purchased client services and programs.....	18,804	3,025	4,370	26,199	25,083
NN Construction and improvements.....	118,334	35,075	19,904	173,313	123,245
PP Aid to local governments.....	-	93	396	489	320
RR Benefit programs.....	256,436	108,530	152,634	517,600	365,193
SS Debt payment.....	-	6,777	1,776	8,553	8,284
TT Loans and special payments.....	279,797	121,125	26,444	427,366	346,923
UU Information technology (IT) expenses .....	79,173	19,116	21,167	119,456	105,739
Total expenditures and other uses.....	2,410,445	679,665	728,024	3,818,134	3,439,162
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other uses.....	476	78,626	44,066	123,168	284,622
Fund balance at beginning of year.....	767,122	202,733	228,247	1,198,102	357,896
Fund balance at end of year.....	\$ 767,598	\$ 281,359	\$ 272,313	\$ 1,321,270	\$ 642,518

\* Fund Balances restated

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

Fiscal Year Ended June 30, 2011  
(Amounts in thousands)

	<u>2011*</u>	<u>2010</u>
<b>Revenues and other financing sources</b>		
Federal grants and reimbursements.....	\$ 401,416	\$ 358,571
Departmental revenue.....	978,739	872,209
Miscellaneous revenue.....	<u>1,030,766</u>	<u>1,077,546</u>
Total revenues and other financing sources.....	<u>2,410,921</u>	<u>2,308,326</u>
<b>Expenditures and other financing uses</b>		
(by MMARS subsidiary):		
AA Regular employee compensation.....	561,660	539,374
BB Regular employee related expenses.....	21,729	22,962
CC Special employees and contracted services.....	219,923	201,408
DD Pension and insurance.....	174,804	178,521
EE Administrative expenditures.....	90,283	83,173
FF Facility operational supplies.....	171,378	178,220
GG Energy costs and space rental.....	130,688	112,344
HH Consultant services.....	208,171	204,274
JJ Operational services.....	36,440	33,066
KK Equipment purchase.....	20,193	39,389
LL Equipment leases, maintenance and repair.....	22,632	21,655
MM Purchased client services and programs.....	18,804	18,404
NN Construction and improvements.....	118,334	86,380
RR Benefit programs.....	256,436	172,672
TT Loans and special payments.....	279,797	219,425
UU Information technology (IT) expenses .....	<u>79,173</u>	<u>71,406</u>
Total expenditures and other financing uses.....	<u>2,410,445</u>	<u>2,182,673</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	476	125,653
Fund balance at beginning of year.....	<u>767,122</u>	<u>85,885</u>
Fund balance at end of year.....	<u>\$ 767,598</u>	<u>\$ 211,538</u>

\* Fund Balances restated

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

Fiscal Year Ended June 30, 2011  
(Amounts in thousands)

	Bridgewater State University	Framingham State University	Fitchburg State University	Massachusetts College of Art
<b>Revenues and other financing sources</b>				
Federal grants and reimbursements.....	\$ 11,393	\$ 4,211	\$ 6,162	\$ 2,507
Departmental revenue.....	95,979	25,862	42,353	25,068
Miscellaneous revenue.....	62,817	40,086	30,912	12,401
Total revenues and other financing sources.....	<u>170,189</u>	<u>70,159</u>	<u>79,427</u>	<u>39,976</u>
<b>Expenditures and other financing uses</b> (by MMARS subsidiary):				
AA Regular employee compensation.....	37,162	4,714	6,005	8,401
BB Regular employee related expenses.....	994	251	287	412
CC Special employees and contracted services.....	34,569	8,101	11,050	3,898
DD Pension and insurance.....	12,340	1,623	2,264	709
EE Administrative expenditures.....	12,598	12,004	1,586	2,075
FF Facility operational supplies.....	2,409	1,278	1,030	1,154
GG Energy costs and space rental.....	5,441	3,261	4,577	1,988
HH Consultant services.....	3,079	1,128	753	1,808
JJ Operational services.....	9,153	4,701	38	1,440
KK Equipment purchase.....	3,213	1,019	1,099	658
LL Equipment leases, maintenance and repair.....	3,011	615	704	252
MM Purchased client services and programs.....	1,138	769	129	-
NN Construction and improvements.....	10,648	1,284	4,139	5,537
PP Aid to local governments.....	-	93	-	-
RR Benefit programs.....	17,416	6,726	8,136	4,919
SS Debt payment.....	-	6	-	-
TT Loans and special payments.....	12,416	7,594	15,456	1,900
UU Information technology (IT) expenses .....	146	4,359	4,016	1,703
Total expenditures and other financing uses.....	<u>165,733</u>	<u>59,526</u>	<u>61,269</u>	<u>36,854</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	4,456	10,633	18,158	3,122
Fund balance at beginning of year.....	<u>30,417</u>	<u>27,381</u>	<u>31,130</u>	<u>12,656</u>
Fund balance at end of year.....	<u>\$ 34,873</u>	<u>\$ 38,014</u>	<u>\$ 49,288</u>	<u>\$ 15,778</u>

Note: Details might not add up due to rounding

Massachusetts Maritime Academy	Massachusetts College of Liberal Arts	Salem State University	Worcester State University	Westfield State University	TOTALS	
					2011	2010
\$ 1,024	\$ 3,588	\$ 11,823	\$ 628	\$ 6,801	\$ 48,137	\$ 45,395
12,512	21,535	22,188	45,449	86,337	377,283	339,401
25,972	9,410	115,018	9,652	26,603	332,871	336,285
<u>39,508</u>	<u>34,533</u>	<u>149,029</u>	<u>55,729</u>	<u>119,741</u>	<u>758,291</u>	<u>721,081</u>
5,836	4,487	18,155	918	15,356	101,034	121,173
607	430	203	15	531	3,730	4,284
5,414	7,339	16,432	2,777	14,052	103,632	97,995
690	788	6,131	324	5,626	30,495	31,783
1,398	2,357	8,767	2,998	2,308	46,092	64,692
1,545	413	2,842	2,002	1,032	13,705	11,784
2,177	1,279	5,155	2,265	4,573	30,716	27,950
639	836	874	1,632	1,010	11,759	9,877
5,675	3,510	1,324	1,719	1,077	28,637	21,553
675	213	255	402	532	8,066	6,116
384	486	542	1,399	665	8,058	8,431
-	-	538	-	451	3,025	2,285
1,240	1,636	4,439	2,550	3,602	35,075	24,724
-	-	-	-	-	93	9
988	5,209	23,711	8,466	32,959	108,530	59,263
-	48	-	-	6,723	6,777	6,559
3,666	2,413	51,870	5,778	20,032	121,125	104,863
2,387	623	3,966	-	1,916	19,116	15,613
<u>33,321</u>	<u>32,067</u>	<u>145,204</u>	<u>33,245</u>	<u>112,445</u>	<u>679,665</u>	<u>618,954</u>
6,187	2,466	3,825	22,484	7,296	78,626	102,127
<u>6,482</u>	<u>14,481</u>	<u>39,030</u>	<u>13,668</u>	<u>27,488</u>	<u>202,733</u>	<u>100,606</u>
<u>\$ 12,669</u>	<u>\$ 16,947</u>	<u>\$ 42,855</u>	<u>\$ 36,152</u>	<u>\$ 34,784</u>	<u>\$ 281,359</u>	<u>\$ 202,733</u>

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

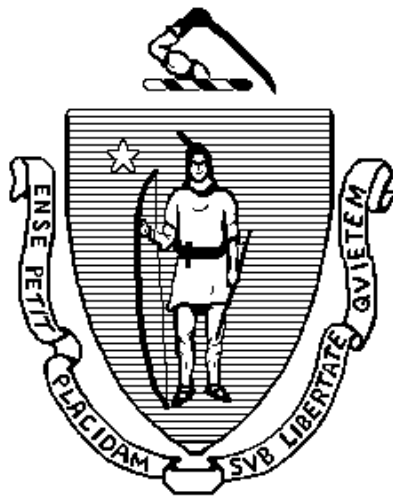
Fiscal Year Ended June 30, 2011

(Amounts in thousands)

	Berkshire Community College	Bunker Hill Community College	Bristol Community College	Cape Cod Community College	Greenfield Community College	Holyoke Community College	Massasoit Community College
<b>Revenues and other financing sources</b>							
Federal grants and reimbursements.....	\$ 5,220	\$ 22,318	\$ 15,913	\$ 5,642	\$ 5,437	\$ 13,962	\$ 26,479
Departmental revenue.....	9,114	38,878	21,993	11,994	11,451	17,228	33,423
Miscellaneous revenue.....	7,685	18,324	35,584	11,530	6,777	16,291	15,472
Total revenues and other financing sources.....	<u>22,018</u>	<u>79,517</u>	<u>73,489</u>	<u>29,165</u>	<u>23,664</u>	<u>47,479</u>	<u>75,372</u>
<b>Expenditures and other financing uses</b> (by MMARS subsidiary):							
AA Regular employee compensation.....	3,889	22,343	11,681	3,220	5,531	5,626	8,024
BB Regular employee related expenses.....	124	153	274	134	403	287	112
CC Special employees and contracted services.....	7,023	12,870	25,800	9,992	5,314	8,343	16,779
DD Pension and insurance.....	1,365	1,671	4,350	1,331	1,911	1,876	3,226
EE Administrative expenditures.....	1,120	2,472	1,659	1,081	697	1,979	2,771
FF Facility operational supplies.....	488	925	1,141	335	991	3,792	1,151
GG Energy costs and space rental.....	997	1,730	1,907	959	796	1,049	1,306
HH Consultant services.....	187	484	564	170	585	279	265
JJ Operational services.....	591	1,502	481	211	587	899	265
KK Equipment purchase.....	319	875	669	129	204	430	1,357
LL Equipment leases, maintenance and repair.....	153	719	226	117	135	211	889
MM Purchased client services and programs.....	32	364	909	-	12	20	756
NN Construction and improvements.....	833	2,561	1,714	522	837	1,582	3,069
PP Aid to local governments.....	-	-	364	-	-	-	-
RR Benefit programs.....	2,700	22,927	16,668	7,276	5,098	15,506	22,866
SS Debt payment.....	67	-	-	-	-	159	-
TT Loans and special payments.....	270	-	227	79	56	-	5,389
UU Information technology (IT) expenses.....	1,058	3,025	1,297	844	588	1,909	1,576
Total expenditures and other financing uses.....	<u>21,216</u>	<u>74,621</u>	<u>69,931</u>	<u>26,400</u>	<u>23,745</u>	<u>43,947</u>	<u>69,801</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses..	802	4,896	3,558	2,765	(81)	3,532	5,571
Fund balance at beginning of year.....	2,773	15,668	13,397	14,089	1,797	7,876	11,552
Fund balance at end of year.....	<u>\$ 3,575</u>	<u>\$ 20,564</u>	<u>\$ 16,955</u>	<u>\$ 16,854</u>	<u>\$ 1,716</u>	<u>\$ 11,408</u>	<u>\$ 17,123</u>

Note: Details might not add up due to rounding

Massachusetts Bay Community College	Middlesex Community College	Mount Wachusett Community College	Northern Essex Community College	North Shore Community College	Quinsigamond Community College	Roxbury Community College	Springfield Technical Community College	TOTALS	
								2011	2010
\$ 7,041	\$ 20,057	\$ 679	\$ 81	\$ 20,077	\$ 13,706	\$ 7,164	\$ 14,017	\$ 177,793	\$ 143,827
15,752	30,916	30,218	39,019	26,384	43,108	3,271	6,541	339,288	320,940
11,064	27,290	15,826	13,171	16,464	1,399	30,569	27,566	255,009	229,610
<u>33,855</u>	<u>78,263</u>	<u>46,723</u>	<u>52,271</u>	<u>62,923</u>	<u>58,208</u>	<u>41,003</u>	<u>48,124</u>	<u>772,090</u>	<u>694,377</u>
3,128	14,642	17,221	4,722	22,518	13,988	755	1,368	138,658	124,444
126	465	272	33	120	419	76	369	3,368	2,783
6,516	25,061	7,718	5,507	8,057	5,789	32,778	7,609	185,161	168,996
1,428	5,471	1,555	1,580	2,079	6,414	363	842	35,464	26,968
1,412	2,513	1,746	34,213	1,921	2,279	630	2,964	59,458	55,779
390	1,243	1,694	8	3,815	4,086	984	1,582	22,625	21,718
1,295	5,944	2,402	73	1,020	1,196	524	517	21,719	16,195
-	2	390	13	1,015	812	613	2,780	8,159	7,171
-	-	236	70	241	120	878	761	6,842	6,584
-	1,138	4,540	46	442	815	263	1,024	12,253	5,877
-	419	868	5	110	1,500	165	2,110	7,626	7,836
219	-	505	-	187	-	6	1,360	4,370	4,394
1,463	8	331	23	904	2,733	1,101	2,222	19,904	12,141
-	-	9	-	-	-	23	-	396	311
5,989	187	3,771	1,683	14,060	15,356	3,210	15,337	152,634	133,258
16	-	340	-	1,162	32	-	-	1,776	1,725
-	18,302	1,679	-	-	266	175	-	26,444	22,635
<u>2,135</u>	<u>70</u>	<u>46</u>	<u>365</u>	<u>2,279</u>	<u>4,980</u>	<u>943</u>	<u>52</u>	<u>21,167</u>	<u>18,720</u>
<u>24,117</u>	<u>75,465</u>	<u>45,323</u>	<u>48,341</u>	<u>59,930</u>	<u>60,785</u>	<u>43,487</u>	<u>40,897</u>	<u>728,024</u>	<u>637,535</u>
9,738	2,798	1,400	3,930	2,993	(2,577)	(2,484)	7,227	44,066	56,842
<u>40,789</u>	<u>7,153</u>	<u>5,555</u>	<u>5,469</u>	<u>10,079</u>	<u>6,683</u>	<u>18,406</u>	<u>66,960</u>	<u>228,247</u>	<u>171,405</u>
<u>\$ 50,527</u>	<u>\$ 9,951</u>	<u>\$ 6,955</u>	<u>\$ 9,399</u>	<u>\$ 13,072</u>	<u>\$ 4,106</u>	<u>\$ 15,922</u>	<u>\$ 74,187</u>	<u>\$ 272,313</u>	<u>\$ 228,247</u>



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