



Commonwealth of Massachusetts

OFFICE OF THE COMPTROLLER

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THOMAS G. SHACK III, ESQ.
COMPTROLLER

November 17, 2015

Secretary Kristen Lepore
Executive Office of Administration and Finance

The Honorable Karen Spilka, Chairwoman
Senate Committee on Ways and Means

The Honorable Brian S. Dempsey, Chairman
House Committee on Ways and Means

RE: Consolidated Net Surplus transfer for FY2015

Dear Secretary Lepore, Chairwoman Spilka, and Chairman Dempsey:

Section 53A of Chapter 119 of the Acts of 2015 authorizes certain transfers from the fiscal year 2015 consolidated net surplus in the budgetary funds, and requires a deposit to the Stabilization Fund of any remaining surplus after those transfers. Therefore, for the fiscal year 2015, the Comptroller's Office we will process a transfer totaling \$123,507,489.00 to the Stabilization Fund in conjunction with the Treasury Department.

The attachment also shows the Stabilization Fund balance as of November 16, 2015, including all prior transfers, earnings and deposits credited to the Stabilization Fund during fiscal year 2015.

If you have any questions regarding this, please contact Howard Merkowitz, Deputy Comptroller at (617) 973-2602.

Sincerely,

Thomas G. Shack III
Comptroller of the Commonwealth

Enc. Attachment #1: Section 11 of Chapter 2 of the Acts of 2015
[Attachment #2](#): Stabilization Fund Balance Spreadsheet
[Attachment #3](#): Consolidated Net Surplus Calculation from Statutory Basis Financial Report (SBFR)

Cc: Catharine Hornby, Assistant Secretary for the Budget, ANF
Aaron D'Elia, Finance Director, ANF
Kathryn Kendall, Budget Director, HWM
Adriana Campos, Budget Director, SWM
James MacDonald, First Deputy Treasurer, TRE
Howard Merkowitz, Deputy Comptroller, CTR
BJ Trivedi, FRAB Director, CTR
Julia Burns, GAB Director, CTR

Attachment #1

Chapter 119 of the Acts of 2015

SECTION 53A Section 194 of said chapter 46 is hereby further amended by striking out section 194 and inserting in place thereof the following section:-

Section 194. (a) Notwithstanding any general or special law to the contrary, prior to transferring the consolidated net surplus in the budgetary funds to the Commonwealth Stabilization Fund under section 5C of chapter 29 of the General Laws, the comptroller shall dispose of the consolidated net surplus in the budgetary funds for fiscal year 2015 as follows: (i) transfer $\frac{1}{2}$ of the surplus, not to exceed \$10,000,000, to the Massachusetts Community Preservation Trust Fund established in section 9 of chapter 44B of the General Laws; and (ii) transfer $\frac{1}{2}$ of the surplus, not to exceed \$10,000,000, to the Massachusetts Life Sciences Investment Fund established in section 6 of chapter 23I of the General Laws. (b) After making the transfers required under clauses (i) and (ii) of subsection (a), the comptroller shall transfer, to the extent available, \$120,000,000, or any remaining funds, to the Commonwealth Stabilization Fund established in section 2H of said chapter 29 of the General Laws.

Calculation of Transfers: Stabilization Fund

June 30, 2015

(Amounts are in thousands)

This statement is prepared on the statutory basis of accounting pursuant to General Laws Chapter 29, Section 5c and Section 53A of Chapter 119 of the Acts of 2015, which superseded certain parts of Section 5c. It presents information contained in the official books and accounting records of the Commonwealth. Financial statements supporting this calculation are presented in the Financial Section of this report.

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

Stabilization Balance Reconciliation:

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

Note: Totals may not add due to rounding