



WILLIAM McNAMARA
COMPTROLLER

Commonwealth of Massachusetts

OFFICE OF THE COMPTROLLER

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November 19, 2021

His Excellency Charles D. Baker
Governor
Commonwealth of Massachusetts
State House, Room 360
Boston, MA 02133

Honorable Aaron Michlewitz, Chair
House Ways and Means Committee
State House, Room 243
Boston, MA 02133

Mr. Steven T. James
Clerk of the House of Representatives
State House, Room 145
Boston, MA 02133

Secretary Michael J. Heffernan
Executive Office for Administration & Finance
State House, Room 373
Boston, MA 02133

Honorable Michael J. Rodrigues, Chair
Senate Ways and Means Committee
State House, Room 212
Boston, MA 02133

Mr. Michael D. Hurley
Clerk of the Senate
State House, Room 335
Boston, MA 02133

Dear Sirs:

The Office of the Comptroller hereby files the Commonwealth's Statutory Basis Financial Report (SBFR) for Fiscal Year 2021, the 12-month period ended June 30, 2021.

The SBFR provides independent and unbiased accounting of Commonwealth revenues and expenditures for Fiscal Year 2021. The SBFR was prepared by the professional staff of the Office of Comptroller and reviewed by the Commonwealth's independent audit firm, CliftonLarsonAllen LLP (CLA), in accordance with professional standards established by the American Institute of Certified Public Accountants.

Pursuant to M.G.L c. 7A, § 12, the Comptroller is required to file the SBFR with the Governor, the Secretary of Administration and Finance, the House and Senate Committees on Ways and Means, the Clerks of the House and Senate, and any other Parties specified in general or special law by October 31 of each year.

The October 31 due date was not achievable, given that the final FY2021 Supplemental Appropriations Act was enacted on October 20, 2021. This filing comes nearly three weeks after

the statutory due date. While regrettable, this timing represents a marked improvement over the two preceding years, when the SBFR filings for Fiscal Years 2019 and 2020 occurred on January 6 and December 18, respectively. My sincere hope is that in the coming years, each step in the process can be initiated and completed earlier, allowing for the timely submission of the Statutory Basis Financial Report.

As in each annual cycle, the Office of Comptroller and financial professionals across the Commonwealth worked diligently to complete every task possible before the passage of the final supplemental appropriation of the year. After its enactment, the process of “closing the books” is executed with both speed and accuracy.

The completed draft is reviewed at two levels: First, by the Commonwealth’s independent audit firm. This independent review function is critical, and I thank CliftonLarsonAllen LLP for completing it on a timely basis. Second, the SBFR is reviewed by the Comptroller Advisory Board, as required by statute.

I thank the staff of the Office of the Comptroller and financial professionals across the Commonwealth for their work, including Chief Financial Reporting Officer Pauline Lieu, Chief Accounting Officer Kristin Lacroix, and their respective teams. They have produced this informative, unbiased, and valuable record of the state’s financial position. Finally, I would like to commend Howard Merkowitz on the occasion of his retirement. As Deputy Comptroller throughout Fiscal Year 2021 and for many years previously, he provided exemplary service and leadership to the Commonwealth during a distinguished career in service of state government.

Sincerely,

A handwritten signature in blue ink that reads "William McNamara". The signature is fluid and cursive, with "William" on the top line and "McNamara" on the bottom line.

William McNamara
Comptroller of the Commonwealth