COMMONWEALTH OF MASSACHUSETTS
JOINT ACCOUNTS OF THE LEGISLATURE

STATEMENT OF AVAILABLE RESOURCES AND EXPENDITURES – STATUTORY BASIS AND ADDITIONAL INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2021



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INDEPENDENT AUDITORS' REPORT

Honorable Speaker of the House of Representatives
and the Honorable President of the Senate
Commonwealth of Massachusetts

Report on the Financial Statement

We have audited the accompanying statement of available resources and expenditures - statutory basis (financial statement) of the Commonwealth of Massachusetts' Joint Accounts of the Legislature for the fiscal year ended June 30, 2021, and the related notes to the financial statement, as listed in the table of contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the Commonwealth of Massachusetts' statutory basis of accounting, as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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Honorable Speaker of the House of Representatives
and the Honorable President of the Senate
Commonwealth of Massachusetts

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the available resources and expenditures of the Joint Accounts of the Legislature for the fiscal year ended June 30, 2021, in accordance with the statutory basis of accounting described in Note 1.

Emphasis of Matter - Basis of Accounting

As described in Note 1, the financial statement is prepared on the Commonwealth of Massachusetts' statutory basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statement of the Joint Accounts of the Legislature. The detailed schedule of available resources and expenditures - statutory basis is presented for purposes of additional analysis and is not a required part of the financial statement. The detailed schedule of available resources and expenditures - statutory basis is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2023 on our consideration of the Joint Accounts of the Legislature's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Joint Accounts of the Legislature's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Joint Accounts of the Legislature's internal control over financial reporting and compliance.

Restriction on Use

This report is intended for the information and use of management, the House, the Senate and the Commonwealth of Massachusetts and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Boston, Massachusetts
October 25, 2023

COMMONWEALTH OF MASSACHUSETTS
JOINT ACCOUNTS OF THE LEGISLATURE
STATEMENT OF AVAILABLE RESOURCES AND EXPENDITURES – STATUTORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

AVAILABLE RESOURCES	
Appropriations	$ 16,301,350
EXPENDITURES	
Expenditures	6,081,833
Balance Forward to Fiscal Year 2022	$ 10,219,517

See accompanying Notes to Financial Statement.

COMMONWEALTH OF MASSACHUSETTS
JOINT ACCOUNTS OF THE LEGISLATURE
NOTES TO FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Commonwealth of Massachusetts has a dual chamber legislature known as the General Court. The upper body of the General Court is the Senate, composed of 40 members and the lower body, the House of Representatives (House), consists of 160 members. Joint Committees of the General Court are determined by both branches and are composed of Senate and House members. The Senate President assigns senators to committees and the Speaker of the House assigns representatives to committees. Joint rules govern the progress of bills that are referred to a topic-appropriate committee by the Senate Clerk and the House Clerk, subject to the presiding officer in each branch.

Each chamber has its own procedural rules to govern activity within the chamber, as well as joint rules to govern the progress of bills. Bills enacted by the General Court become Acts or Resolves. Acts are considered to have a general effect and usually amend the state's code of law, the Massachusetts General Laws. Bills that have a limited impact are known as resolves. The laws passed by each legislative session in Massachusetts are published as the Acts and Resolves.

Basis of Presentation and Accounting

The accompanying financial statement presents the total resources available and the total expenditures of the operating accounts of the Joint Accounts of the Legislature.

In accordance with Section 8 of Chapter 7A of the Massachusetts General Laws, the financial operations for all funds of the Joint Accounts of the Legislature are reported to the Comptroller of the Commonwealth on the Commonwealth's Statewide Accounting System, the Massachusetts Management Accounting and Reporting System (MMARS). The Comptroller maintains the accounting records for the Joint Accounts of the Legislature and those of most other state departments and agencies. The accounting system utilized is a statutory/budgetary system that differs from generally accepted accounting principles (GAAP). Set forth below is the principal accounting policy of the Commonwealth of Massachusetts that relates to the preparation of the accompanying financial statement, which is not in accordance with GAAP.

Available resources consist of the current year general appropriation and the unexpended balances of available funds brought forward from the prior fiscal year. Each year, the Senate and the House appropriate resources for the various bureaus, commissions, departments, boards and institutions of state government, including the general appropriations for the Joint Accounts of the Legislature. As part of the budgetary process and as provided for in the Massachusetts General Laws, the unexpended balances of available resources are evaluated on the basis of planned programs or commitments that have not yet been completed and are either brought forward to be available for such programs and commitments or revert back to the general fund of the Commonwealth of Massachusetts.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation and Accounting (Continued)

Expenditures represent payments for the purchase of goods and services, including payroll, operating expenses, equipment and certain fixtures of the Joint Accounts of the Legislature. In addition, total expenditures include encumbrances outstanding at year-end for goods or services received on or before June 30 but were paid subsequent to that date and before September 1. This differs from GAAP, whereby expenditures are recorded when the obligation for goods and services is incurred.

Income Tax Status

The Joint Accounts of the Legislature are a governmental function of the Commonwealth and are exempt from Federal income tax under Section 115 of the Internal Revenue Code.

COMMONWEALTH OF MASSACHUSETTS
JOINT ACCOUNTS OF THE LEGISLATURE
DETAILED SCHEDULE OF AVAILABLE RESOURCES AND EXPENDITURES – STATUTORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Budgetary Accounts - Joint Accounts of the Legislature:

	APPROPRIATION
	9700-0000
Funds Appropriated for Fiscal Year 2021 Budget	$ 9,767,085
Balance Forward from Fiscal Year 2020	6,534,265
Total Available Resources	16,301,350
Expenditures	6,081,833
Balance Forward to Fiscal Year 2022	$ 10,219,517