



Commonwealth of Massachusetts CTR Advisory Board – 2021 SBFR

November 18, 2021

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

Agenda

SBFR Review

- Objective
- Scope
- Responsibilities
- Procedures Performed
- Conclusion
- Communications

Status Updates

- SBFR
- ACFR
- Single Audit



Objective

Obtain limited assurance as a basis for reporting whether or not material modifications should be made to the financial statements (and supplementary information) for the SBFR to comply with the Commonwealth's Statutory Basis of Accounting

- Introductory and statistical sections not subjected to our review procedures

Substantially less in scope than an audit

- Does not assess fraud risk
- No testing of accounting records through inspection, observation, confirmation or examination of source documents



Scope

Budgeted Funds

- General Fund
- Commonwealth Transportation Fund
- Stabilization Fund
- Federal COVID-19 Response Fund
- Transitional Escrow Fund
- 12 other “nonmajor” budgeted funds

Non-Budgeted Special Revenue Funds

- Revenue sources that specifically support specific governmental activities (e.g., federal grants, lottery and gaming)

Capital Projects Funds

- Acquisition and construction of major capital assets financed primarily through the issuance of bonds



Responsibilities

Management (Commonwealth)

- Preparation and fair presentation of SBFR in accordance with Commonwealth's Statutory Basis of Accounting
- Design, implementation, and maintenance of internal control relevant to preparation and fair presentation of the SBFR that are free from material misstatement (whether due to fraud or error)
- Provide unrestricted access to information and personnel requested
- Representation letter at conclusion of review

Independent Accountant (CLA)

- Conclude on whether or not material modifications should be made to the combined financial statements, the combining and individual fund statements and supplemental information
- Conduct engagement in accordance with SSARS (promulgated by the AICPA)
- Comply with AICPA's Code of Professional Conduct, including ethical principals of integrity, objectivity, professional competence and due care



Procedures Performed



Analytical Procedures



Inquiries of Management



Conclusion

- Unmodified report
 - Not aware of material modifications that should be made for the SBFR to comply with Statutory Basis of Accounting



Communications

SBFR issued after
10/31 deadline due to
timing of
supplemental budget

Transitional Escrow
Fund (new budgeted
fund)

No difficulties with
management
(cooperative)

No uncorrected
misstatements

No disagreements
with management



Status Updates

SBFR

ACFR

Single
Audit



Chris Rogers, CPA

Managing Principal of Industry, State and Local Government

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