WACHUSETT REGIONAL SCHOOL DISTRICT

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES OVER COMPLIANCE APPLICABLE TO MASSACHUSETTS SCHOOL DISTRICTS' END OF YEAR FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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Independent Accountants' Report on Applying Agreed-Upon Procedures Over Compliance Applicable to Massachusetts School Districts' End of Year Financial Report

To the School Committee
Wachusett Regional School District
Jefferson, MA

We have performed the procedures enumerated in Attachment A, related to the requirements set forth in the Massachusetts Department of Elementary and Secondary Education's (the "DESE") *Compliance Supplement for Massachusetts School Districts Agreed Upon Procedures Engagements ("Compliance Supplement")* related to the End of Year Financial Report (the "EOYR") prepared by the Wachusett Regional School District (the "District") for the year ended June 30, 2024. The District's management is responsible for compliance with those requirements.

The engaging party, the District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose specified in DESE's *Compliance Supplement* related to the EOYR prepared by the District for the year ended June 30, 2024. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Our procedures and results are reported in Attachment A "Schedule of DESE EOYR Compliance Supplement Procedures and Results". For purposes of performing these procedures, findings were reported only if they exceeded 3% of Line 1850 in the EOYR.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with specified requirements for the year ended June 30, 2024. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Wachusett Regional School District and the Massachusetts Department of Elementary and Secondary Education, and is not intended to be and should not be used by anyone other than these specified parties.

CBIZ CPAs P.C.

Greenfield, MA
March 31, 2025

Attachment A
Wachusett Regional School District
Schedule of DESE EOYR Compliance Supplement Procedures and Results
For the Year Ended June 30, 2024

DESE Compliance Supplement Requirements	Procedures Performed	Results (Exceptions noted were reported only if they exceeded 3% of Line 1850 in the EOYR)
General Compliance Requirements		
1. For all End of Year Report Schedules (EOYR):		
A. Ascertain if the financial information was prepared in accordance with the budgetary basis of accounting (e.g., modified accrual plus current year encumbrances minus expenditures of prior year encumbrances).		
a. Trace the amounts reported to accounting and other records that support the audited financial statements and verify [determine] agreement or perform alternative procedures to verify [determine] the accuracy and completeness of the reports and that they agree with the accounting records.	Traced account balances as required in the specific compliance requirements to the underlying support (accounting ledger).	See results in the specific compliance requirements.
b. Determine if all encumbrances were closed out by the 12/31 deadline and that reported expenditures were adjusted accordingly.	Obtained a schedule of encumbrances as of June 30, 2024 and compared it to the schedule of encumbrances as of December 31, 2024. Inspected to confirm that encumbrances were spent. For those encumbrances that were not spent as of December 31, 2024, confirmed the District received a waiver from DESE.	Procedure performed without exception.
B. Trace non-financial data to records that accumulate and summarize data.		
a. Perform tests of the underlying data to verify [determine] that the data was	Traced underlying data to stated criteria and internally created documented methodology in	Procedure performed without exception.

accumulated and summarized in accordance with the required or stated criteria and methodology, including the accuracy and completeness of the schedules. For Schedule 7, test eligibility criteria for reimbursable riders (pupils residing greater than 1.5 miles from their school of attendance).	the procedures for Schedule 4 and Schedule 7 below. For Schedule 7, traced a sample of five haphazardly selected riders reported as greater than 1.5 miles from the school of attendance to a map proving the distance reported by the District.	
b. When intervening computations or calculations are required between the records and the schedules, trace reported data elements to supporting worksheets or other documentation that link the schedules to the data.	Traced the reported data elements to supporting worksheets or other documentation in the procedures for Schedule 4 and Schedule 7 below.	Procedure performed without exception.
C. Determine if the District's accounting system meets the following DESE requirements:		
a. Determine whether the District uses an accounting system that 1) provides for the reporting of all instructional costs by school location and 2) is in accordance with 603 CMR 10.03 (3)(a).	Confirmed the District's accounting ledger expenditure account structure includes specific account segments for each school location. Obtained copies of the District's expenditure reports and inspected to confirm that the accounting system is in accordance with 603 CMR 10.03 (3)(a).	Procedure performed without exception.
b. Determine if the accounting system is supported by up-to-date written policies and procedures and that the policies and procedures are followed on a uniform and consistent basis.	Obtained the District's written policies and procedures related to the accounting system and compared them to DESE's requirements.	Procedure performed without exception.
c. Determine if the District maintains written policies and procedures related to the classification of salaries and expenses by program, function and object and that the policies and procedures are followed on a uniform	Obtained the District's current set of policies and procedures related to the classification of salaries and expenses by program, function, and object and agree policies meet DESE's requirements.	Procedure performed without exception.

and consistent basis.		
2. Obtain written representation from management that the reports provided to the auditor are true copies of the EOYR submitted or electronically transmitted to the Department.	Obtained a signed Representation Letter from management which states that the reports provided are true copies of the EOYR submitted or electronically transmitted to DESE.	Procedure performed without exception.
3. Determine that the District submitted a signed Certification Statement.	Obtained signed Certification Statement submitted to DESE.	Procedure performed without exception.
4. Determine if amendments required from prior year's audit were submitted.	Obtained report of amendments [findings] filed with DESE and compared to the prior year's EOYR agreed-upon procedures report.	Procedure performed without exception.
Specific Compliance Requirements		
I. Revenues		
A. Revenue from Local Sources		
1. Trace Revenues from Local Sources reported on Schedule 1 to the municipal and District accounting ledgers. Also, trace the revenues reported on District's accounting ledgers to revenues reported on Schedule 1. These amounts should agree.	Traced all revenues from Local Sources reported on Schedule 1 to revenue per the accounting ledger reports provided by the District. Traced all local sources revenues reported in the District's accounting ledger to Local Sources reported on Schedule 1.	Procedure performed without exception.
C, D, and E. Revenues from Federal Grants, State Grants and Revolving and Special Funds		
2. Trace the revenue from state aid, federal grants, state grants, and revolving and special funds to the detail in District's accounting ledgers. Also, trace the revenues reported on District's accounting ledgers to revenues reported on Schedule 1. These amounts should agree with the possible exception of revenue from state aid, federal grants and state grants, which are entered by the state based on allotments. ***Validate that the DESE Administered Federal Grant revenues entered on line 300 and the DESE Administered State Grant revenues***	Traced all state aid, federal grants, revolving and special funds revenues reported on Schedule 1 to accounting ledger reports provided by the District. Traced all state aid, federal grants, state grants, revolving and special funds revenues reported in the District's accounting ledger to state aid, federal grants, state grants, revolving and special funds revenues reported on Schedule 1. Traced all state aid, federal grants and state grants reported on Schedule 1 to the amounts	Procedure performed without exception.

on 510 match the final FY24 grant revenue file posted on the DESE EOYR website. ***Note: Amounts deposited in legally authorized revolving accounts (e.g. School Choice) cannot be transferred to the General Fund.***	posted on the DESE website and the amounts reported in the District's accounting ledger. Confirmed that the DESE Administered Federal Grant revenues entered on line 300 and the DESE Administered State Grant revenues on line 510 match the final FY24 grant revenue file posted on the DESE EOYR website.	
II. Expenditures		
A. By School Committee and B. By City or Town		
3. Trace the amounts reported for general fund education expenditures from Schedule 1, line 1850 to the municipal accounting ledgers and to the District accounting ledgers. Also, trace the expenditures reported on the District's accounting ledgers to expenditures reported on Schedule 1. These amounts should agree. If a crosswalk exists between the accounting ledgers and the EOYR, verify [determine] that the crosswalk agrees with the accounting ledgers in total and trace a sample of expenditures from the crosswalk to the accounting ledger.	Traced amounts reported for General Fund education expenditures in total from Schedule 1, line 1850 to the accounting ledger. Traced the total General Fund education expenditures reported on the District's accounting ledger to expenditures reported on Schedule 1.	Procedure performed without exception.
4. Trace the amounts reported for a sample of DESE functions (i.e., teachers, principals), object codes (i.e., professional salaries (01), other salaries (02), and other expenditures (04-06)) and DESE programs (i.e., regular day, special education, etc.) in Schedule 1 to the detail in the accounting ledgers or to the crosswalk, if applicable. These amounts should agree.	Haphazardly selected a sample of four DESE functions reported in Schedule 1 and traced the amounts reported by function, object code, and DESE program to the accounting ledger .	Procedure performed without exception.
5. Test Extraordinary Maintenance (4300) expenditures for the following: Verify [determine] that expenditures do not include	Obtained detailed expenditure report for Extraordinary Maintenance expenditures reported on Schedule 1 of the EOYR and	Procedure performed without exception.

salaries; verify [determine] that the expenditures include applicable principal portions of a loan or the cost of a lease/purchase agreement; and verify [determine] that expenditures classified as Extraordinary Maintenance (4300) do not exceed the per project per school dollar limit for extraordinary maintenance of $150,000. Trace the expenditures to the detail in the accounting ledgers.	reviewed the description of the expenditures and confirmed based on the description that these expenditures do not include salaries and that these expenditures include applicable principal portions of a loan or the cost of a lease/purchase agreement, if applicable. Confirmed that these expenditures do not exceed the per project per school dollar limit for extraordinary maintenance of $150,000. Traced all expenditures reported to the accounting ledger.	
6. Determine how expenditures for fringe benefits are assigned or allocated to Schedule 1 Employee Benefits, Insurance (5100, 5200).		
a. Trace the reported cost to the detail in the accounting ledgers using the methodology indicated. These amounts should agree.	Traced all expenditures reported for fringe benefits to the accounting ledger.	Procedure performed without exception.
b. Determine if expenses are charged to 5150 Employee Separation Costs. If no expenses are charged inquire if any District employees retired in FY24. In the event District employees retired, there should be costs/expenses reported.	Confirmed the District separately reports Employee Separation Costs (5150).	Procedure performed without exception.
c. ***Determine if the District reported Insurance for Retired Employees (5250) separately and appropriately.***	Confirmed the District separately reports insurance for Retired School Employees (5250) and traced the amounts reported on the EOYR to the accounting ledger.	Procedure performed without exception.
7. If amounts are reported for Rental Lease of Equipment or Buildings determine if the required rental lease schedule is maintained locally.	Traced all amounts reported for Rental Lease of Equipment or Buildings to rental lease schedule maintained by management.	Procedure performed without exception.
8. Verify [determine] that expenditures	Confirmed there were no expenditures related to	Procedure performed without exception.

charged to lines 1683 or 2060, Short-term Interest RAN's (5400) relate exclusively to Revenue Anticipation Notes (RAN's).	revenue anticipation notes in the accounting ledger and the treasurer's debt schedule.	
9. Verify [determine] that expenditures charged to line 1684 or 2065, Short-term Interest BAN's (5450) relate exclusively to Bond Anticipation Notes (BAN's).	Confirmed there were no expenditures related to bond anticipation notes in the accounting ledger and the treasurer's debt schedule.	Procedure performed without exception.
10. Identify expenditures reported as long-term School Construction debt for principal (8100) and interest (8200). Verify [determine] that BAN's are not included in these functions. Trace the reported costs to the treasurer's debt schedule. Trace the reported amount to the detail in the accounting ledgers. These amounts should agree. ***Note: If the District received a lump sum wait list or progress payment from the Massachusetts School Building Authority (MSBA), verify [determine] that the revenue was reported on line 130 and that expenses were reported for paydown of principal (8100) or Purchase of Land and Buildings (7100, 7200) if applicable.***	Traced all amounts reported as long-term School Construction debt for principal (8100) and interest (8200) to the treasurer's debt schedule and to detail in the accounting ledgers and confirmed that BAN's are not included in these functions. The District did not receive a lump sum wait list payment or progress payment from the MSBA.	Procedure performed without exception.
11. Trace the expenditures for tuition payments to other public-school districts in state (9100), to out of state schools (9200), to non-public schools (9300), to member collaboratives (9400), and assessments to member regional school districts (9500) to the detail in the accounting ledgers. These amounts should agree. Note: If the District prepaid FY25 special education tuition, verify [determine] that prepaid tuition was not included as an FY24 expense. If the District prepaid FY24 tuition from FY23, that amount should be included as an FY24	Traced all expenditures for tuition payments to (1) other public-school districts in state (9100), (2) out of state schools (9200), (3) non-public schools (9300), (4) member collaboratives (9400), and (5) assessments to member regional school districts (9500) to the accounting ledgers. Inquired of the District's management there was no prepaid tuition in the current or prior year.	Procedure performed without exception.

expense.		
12. For municipal expenditures that result in services directly related to the school committee:		
a. Obtain a copy of a written agreement between the School Committee and municipal officials documenting agreed upon methodologies to be used when allocating, distributing or assigning Municipal expenditures to the District.	Not applicable as this is a Regional School District.	
b. Test the amounts reported using the documented methodology. These amounts should agree.	Not applicable as this is a Regional School District.	
13. Expenditures from Federal Grants, State Grants and Special Funds		
a. Trace amounts claimed as Circuit Breaker expenses on line 3080 column 7 to the accounting ledgers or journals.	Traced amounts reported as Circuit Breaker expenses on line 3080 column 7 to the corresponding amount in the accounting ledger.	Procedure performed without exception.
b. Determine if the District charged a restricted indirect rate to grants and indicate so in the report (including the rate charged).	Inquired of District personnel whether the District charged a restricted indirect rate to grants.	The District did not charge a restricted indirect rate to grants.
Schedule 3		
14. For Schedule 3 expenditures:		
a. Verify [determine] that the District's accounting system includes school location codes and trace the amounts reported by school location on the linked file to the accounting ledgers. These amounts should agree.	Inspected the District's accounting ledger and noted that it includes school location codes. Haphazardly selected two schools whose combined expenditures represent over 30% of the combined reported expenditures by school location and traced the amounts reported for these two schools to the corresponding amounts in the accounting ledger.	Procedure performed without exception.
b. If staff is assigned to more than one school, determine if the District	Through inquiry of personnel and inspection of payroll reports, confirmed that the District	Procedure performed without exception.

maintains a payroll system or spreadsheet to document the assignment of staff salaries by school location.	maintains a payroll system to document the assignment of staff salaries by school location.	
c. If allocations are used to assign staff salaries to schools, programs, functions, or objects, was the allocation supported by a documented methodology?	Not applicable as allocations were not used to assign staff salaries.	
d. If allocations are used for non-salary expenditures, determine if the District maintains a documented methodology for consistency in application. Allocations are acceptable on Schedule 3 for non-salary expenditures although direct assignment or charging is preferable.	Not applicable as allocations were not used to assign non-salary expenditures.	
e. Ensure amounts reported as Districtwide expenditures cannot be assigned to a specific school.	Obtained the Districtwide schedule of expenditures by function and confirmed amounts reported were not assignable to a specific school.	Procedure performed without exception.
Schedule 4		
15. Ascertain the methodology used to allocate, distribute, or assign special education costs to the placement categories on Schedule 4 and review the propriety of the methodology. Test the amounts reported on Schedule 4 using this methodology. These amounts should agree.	Obtained the internally created documented methodology used to allocate, distribute, or assign special education costs to the placement categories on Schedule 4. Confirmed through comparison that the internally created documented methodology was consistent with prior years and is based on the number of special education students reported by placement code or direct expenditures reported by placement code. Recalculated all amounts reported on Schedule 4 based on the internally created documented methodology.	Procedure performed without exception.
Schedule 7		
16. Trace the transportation expenditures reported on Schedule 7 to the transportation	Traced all transportation expenditures reported on Schedule 7 to transportation expenditures	Procedure performed without exception.

expenditures reported on Schedule 1. These amounts should agree. Confirm that all expenditures reported do not include unliquidated encumbrances. Determine the methodology used to allocate transportation expenditures on Schedule 7 and verify [determine] the accuracy of the allocations. Also, if applicable, verify [determine] that reimbursable expenditures have been reduced by transportation revenue received from students transported.	reported on Schedule 1 and confirmed that expenditures reported did not include unliquidated encumbrances based on testing in step 1.A.b. above. Obtained supporting documentation of the District's internally created documented methodology used to allocate transportation expenditures on Schedule 7 and recalculated the amounts reported based on the methodology. Traced all amounts reported for transportation fees on Schedule 1 to the underlying support and confirmed that expenditures were reduced by any transportation revenue received, if applicable.	
17. Determine if there is adequate detail to support amounts reported (expenses and riders) for special education pupils transported outside the District.	Obtained supporting documentation (general ledger accounting system report of special education rider costs and rider lists) to support all amounts reported (expenses and riders) for special education pupils transported out the District.	Procedure performed without exception.
18. Trace the riders reported on Schedule 7 to the detailed transportation records and verify [determine] that the amounts reported on Schedule 7 are accurate and consistent with the detailed records.	Traced all riders reported on Schedule 7 to the detailed rider lists maintained by the District.	Procedure performed without exception.
19. Determine if the District's accounting system separates costs in order to facilitate reporting as outlined in Schedule 7, including in- or out-of-District, pre-school, non-public, school choice, charter school).	Confirmed that the District's accounting system separates costs to facilitate reporting as outlined in Schedule 7, including in- or out-of-District, pre-school, non-public, school choice, charter school).	Procedure performed without exception.
a. Determine if reimbursable expenditures claimed on line 4283 Homeless to Outside the District and line 4285 Homeless from Outside the District are supported by adequate documentation.	Inspected supporting documentation (reports from the general ledger accounting system or invoices) for all reimbursable expenditures claimed on Line 4283 for Homeless to Outside the District and Line 4285 for Homeless from	Procedure performed without exception.

	Outside the District.	
b. Verify [determine] that foster care transportation was not claimed as homeless and is reported appropriately on line 4286.	Confirmed with the District foster care transportation was not included as homeless and is reported appropriately on Line 4286.	Procedure performed without exception.
If a cost allocation plan was used to determine reimbursable expenditures, review the propriety of the plan and test the expenditures reported.	Obtained the District's internally created documented methodology to allocate reimbursable expenditures reported on Line 4283 and Line 4285 and compared the methodology used to the prior year plan and noted it is consistent and it is based on the number of homeless students in each category. Recalculated the amounts reported on Line 4283 and Line 4285 based on the cost allocation plan.	Procedure performed without exception.
Schedule 19		
20. Determine if the school District has reported all changes to Schedule 19 Part A.1 — Appropriation by School Committee to the Department. Compare the final School Committee appropriation to Schedule 19 Part A.1 as filed/amended to determine if all changes were reported.	Traced final School Committee Appropriation amount in total per Line 7320 of Schedule 19 to the District's annual adopted budget.	Procedure performed without exception.
21. Determine amounts budgeted in Schedule 19 Part A.2 are consistent with methodologies outlined in the agreement noted in procedure II A. 6 a. above.	Obtained documentation to support all amounts budgeted in Schedule 19, Part A.2. Recalculated the amounts in accordance with the methodologies identified in procedure II A. 6 a. above.	Procedure performed without exception.
22. Determine that retiree health insurance (5250) is reported separately.	Confirmed that amounts were reported for retiree health insurance (5250) on Line 7490.	Procedure performed without exception.

Wachusett Regional School District
Supplementary Information
For the Year Ended June 30, 2024

In accordance with Step 13b in the Department of Elementary and Secondary Education's *Compliance Supplement for Massachusetts School Districts Agreed Upon Procedures Engagements*, the District did not charge a restricted indirect cost rate to grants.