



## **WACHUSETT REGIONAL SCHOOL DISTRICT**

Independent Auditor's Reports Pursuant  
to Government Auditing Standards  
and Uniform Guidance

For the Year Ended June 30, 2021

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

**INDEPENDENT AUDITOR'S REPORT**

To the School Committee  
Wachusett Regional School District

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Wachusett Regional School District (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 9, 2023.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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800.282.2440 | melansoncpas.com



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2021-001, that we consider to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **District's Response to Findings**

The District's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Melanson".

Greenfield, Massachusetts  
March 9, 2023



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM,  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND  
REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE**

**INDEPENDENT AUDITOR'S REPORT**

To the School Committee  
Wachusett Regional School District

**Report on Compliance for Each Major Federal Program**

We have audited the Wachusett Regional School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the

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District)'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

#### ***Opinion on Each Major Federal Program***

In our opinion, the Wachusett Regional School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

#### **Report on Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not



identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Wachusett Regional School District (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated March 9, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

A handwritten signature in black ink that reads "Melanson". The signature is written in a cursive, flowing style.

Greenfield, Massachusetts  
March 9, 2023

**WACHUSETT REGIONAL SCHOOL DISTRICT**

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2021

<b>Federal Agency</b>	Federal	Pass Through		
Cluster	Assistance	Identifying		Passed
Pass-through Agency	Listing	Number	Federal	Through to
Program Title	<u>Number</u>	<u>Number</u>	<u>Expenditures</u>	<u>Subrecipient</u>
<b>U.S. Department of Agriculture</b>				
Child Nutrition Cluster				
Passed Through Massachusetts Department of Elementary and Secondary Education:				
School Breakfast Program	10.553	14-134-1	\$ 259,710	\$ -
National School Lunch Program - Cash Assistance	10.555	14-134-1	863,013	-
National School Lunch Program - Non-Cash Assistance	10.555	14-134-1	<u>84,435</u>	<u>-</u>
Total Child Nutrition Cluster			<u>1,207,158</u>	<u>-</u>
Total U.S. Department of Agriculture			1,207,158	-
<b>U.S. Department of Treasury</b>				
Passed Through Massachusetts Department of Elementary and Secondary Education:				
COVID-19 - Coronavirus Relief Fund - CvRF School Reopening Grant	21.019	102-400878-2021-0775	1,572,300	-
COVID-19 - Coronavirus Relief Fund - CARES Tech	21.019	118-400876-2021-0775	146,004	-
COVID-19 - Coronavirus Relief Fund - School Nutrition	21.019	Unavailable	<u>10,895</u>	<u>-</u>
Total U.S. Department of the Treasury			1,729,199	-
<b>U.S. Department of Education</b>				
Special Education Cluster				
Passed Through Massachusetts Department of Elementary and Secondary Education:				
Special Education - Grants to States FY21	84.027	240-401251-2021-0775	1,160,324	-
Special Education - Grants to States FY20	84.027	240-299615-2020-0775	17,938	-
Special Education - Preschool Grants FY21	84.173	262-401249-2021-0775	58,526	-
Special Education - Preschool Grants FY20	84.173	262-299616-2020-0775	8,377	-
Special Education - Preschool Grants FY21	84.173	274-484440-2021-0775	<u>36,509</u>	<u>-</u>
Total Special Education Cluster			1,281,674	-
Passed Through Massachusetts Department of Elementary and Secondary Education:				
Title I Grants to Local Educational Agencies FY21	84.010	305-412022-2021-0775	139,019	56,377
Title I Grants to Local Educational Agencies FY20	84.010	305-299617-2020-0775	27,317	-
English Language Acquisition - Grants to States FY21	84.365	180-412021-2021-0775	10,950	-
English Language Acquisition - Grants to States FY20	84.365	180-299535-2020-0775	5,563	-
Supporting Effective Instruction State Grants FY21	84.367	140-412020-2021-0775	1,709	-
Supporting Effective Instruction State Grants FY20	84.367	140-299613-2020-0775	84,715	-
Student Support and Academic Enrichment Program FY21	84.424	309-412023-2021-0775	4,163	-
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	113-379113-2021-0775	176,898	-
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER II) Fund	84.425	115-501353-2021-0775	<u>494,122</u>	<u>-</u>
Total U.S. Department of Education			2,226,130	56,377
<b>U.S. Department of Homeland Security</b>				
Passed Through the Massachusetts Emergency Management Agency				
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR 4496 PW 00299	<u>112,360</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>112,360</u>	<u>-</u>
Total Federal Expenditures			<u>\$ 5,274,847</u>	<u>\$ 56,377</u>

The accompanying notes are an integral part of this schedule.



## WACHUSETT REGIONAL SCHOOL DISTRICT

### Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2021

#### **Note 1. Summary of Significant Accounting Policies**

- The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Wachusett Regional School District (the District) under programs of the federal government for the year ended June 30, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.
- Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement.
- The amounts reported for the National School Lunch Program – Non-Cash Assistance represent the fair value of commodities received.
- Expenditures awarded from the Federal Emergency Management Agency (FEMA), must be presented on the Schedule when; 1) FEMA has approved the District’s project worksheet (PW) and 2) the District has incurred the eligible expenditures. The \$112,360 reported for Disaster Grants – Public Assistance (Presidentially Declared Disasters), AL 97.036, represents expenditures incurred in prior years that were approved by FEMA during fiscal year 2021.

#### **Note 2. De Minimis Cost Rate**

The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

#### **Note 3. Donated Personal Protective Equipment (PPE) (Unaudited)**

During fiscal year 2021, the District did not receive donated PPE from federal sources.

**WACHUSETT REGIONAL SCHOOL DISTRICT**

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2021

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

***Financial Statements***

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weaknesses identified?  yes  no
- Significant deficiencies identified?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

***Federal Awards***

Internal control over major federal programs:

- Material weaknesses identified?  yes  no
- Significant deficiencies identified?  yes  none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  yes  no

Identification of major federal programs:

<b><i>AL Number(s)</i></b>	<b><i>Name of Federal Program or Cluster</i></b>
10.553/10.555	Child Nutrition Cluster
21.019	Coronavirus Relief Fund
84.425/84.425D	Education Stabilization Fund (ESSER)

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?  yes  no

## **SECTION II - FINANCIAL STATEMENT FINDINGS**

### **2021-001 Improve Controls over Cash Reconciliation Procedures (Significant Deficiency)**

Performing timely cash reconciliations and reviewing all reconciling items are critical procedures to ensure the District's cash balances are properly reported and controlled. When these reconciliations are not being performed, there is an increased risk that errors or irregularities could occur and go undetected. While cash was reconciled timely during fiscal year 2021, cash has not been reconciled since September 2021.

We also found that cash reconciliations are not formally signed by the preparer or reviewer and the balances are not traceable to the cashbook.

We recommend the District implement measures to ensure that timely, accurate, and independent reconciliation of cash balances occurs monthly throughout the year. These reconciliations should be documented and formally signed by the preparer and a reviewer in order to improve documentation and oversight, and to reduce risk.

#### **District Response:**

The District engaged with CliftonLarsonAllen, LLC (CLA) to identify differences between bank balances to the general ledger for fiscal year 2022. CLA has completed their analysis and provided a cashbook and list of general ledger reconciling items. Work has been started to bring fiscal year 2022 up-to-date and it is anticipated that it will be completed within a short timeframe. CLA has also agreed to aid the District in the reconciliation process for fiscal year 2023 and we anticipate we will be up to date with cash reconciliations prior to the end of the fiscal year.

## **SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None.

## **SECTION IV - SCHEDULE OF PRIOR YEAR FINDINGS**

There were no findings in the prior year.