

**WACHUSETT REGIONAL SCHOOL DISTRICT**

**INDEPENDENT AUDITORS' REPORTS PURSUANT  
TO *GOVERNMENT AUDITING STANDARDS*  
AND UNIFORM GUIDANCE**

**FOR THE YEAR ENDED JUNE 30, 2023**

# WACHUSETT REGIONAL SCHOOL DISTRICT

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**INDEPENDENT AUDITORS' 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***

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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated July 29, 2024.

**Report on 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 audit 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.

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 identified a deficiency in internal control, described in the accompanying Schedule Findings and Questioned Costs as item 2023-001 that we consider to be a significant deficiency.

## **Report on 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**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **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.

*Marcum LLP*

Greenfield, MA  
July 29, 2024



**INDEPENDENT AUDITORS' 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**

To the School Committee  
**Wachusett Regional School District**

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

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

We have audited the Wachusett Regional School District's (the District) compliance with the types of compliance requirements identified as subject to audit 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, 2023. The District's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the 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, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

## ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

## ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material, noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated July 29, 2024, 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.

*Marcum LLP*

Greenfield, MA  
July 29, 2024

**WACHUSETT REGIONAL SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

<i>Federal Agency</i>	Federal	Pass Through	
Cluster	Assistance	Identifying	
Pass-through Agency	Listing	Number	Federal
Program Title	Number		Expenditures
<b><i>U.S. Department of Agriculture</i></b>			
Child Nutrition Cluster			
Passed Through Massachusetts Department of Elementary and Secondary Education			
School Breakfast Program	10.553	14-134-1	\$ 200,441
National School Lunch Program - Cash Assistance	10.555	14-134-1	1,100,427
National School Lunch Program - Non-Cash Assistance	10.555	14-134-1	192,821
National School Lunch Program - Supply Chain Assistance	10.555	14-134-1	<u>185,183</u>
Total Child Nutrition Cluster			1,678,872
Passed Through Massachusetts Department of Elementary and Secondary Education			
School Nutrition Equipment Assistance for Schools	10.579	722-671747-2022-0775	<u>30,034</u>
<b>Total U.S. Department of Agriculture</b>			<b>1,708,906</b>
<b><i>U.S. Department of Education</i></b>			
Special Education Cluster			
Passed Through Massachusetts Department of Elementary and Secondary Education			
Special Education - Grants to States FY23	84.027	240-686665-2023-0775	1,489,766
Special Education - Grants to States FY22	84.027	240-550093-2022-0775	459,888
COVID- 19 - Special Education - Grants to States FY22 - American Rescue Plan (ARP)	84.027	252-551284-2022-0775	327,718
Special Education - Preschool Grants FY23	84.173	262-686666-2023-0775	24,640
Special Education - Preschool Grants FY22	84.173	262-550131-2022-0775	18,406
Special Education - Preschool Grants FY22 - Kindergarten Curriculum Development	84.173	264-551283-2022-0775	<u>13,304</u>
Total Special Education Cluster			2,333,722
Passed Through Massachusetts Department of Elementary and Secondary Education			
Title I Grants to Local Educational Agencies FY23	84.010	305-686663-2023-0775	241,688
Title I Grants to Local Educational Agencies FY22	84.010	305-552582-2022-0775	187,980
Title I Grants to Local Educational Agencies FY20	84.010	305-299617-2020-0775	2,506
English Language Acquisition - Grants to States FY23	84.365	180-686662-2023-0775	18,047
English Language Acquisition - Grants to States FY22	84.365	180-552596-2022-0775	7,169
Supporting Effective Instruction State Grants FY23	84.367	140-686661-2023-0775	25,424
Supporting Effective Instruction State Grants FY22	84.367	140-552586-2022-0775	98,824
Supporting Effective Instruction State Grants FY21	84.367	140-412020-2021-0775	18,607
Student Support and Academic Enrichment Program FY23	84.424	309-686664-2023-0775	285
Student Support and Academic Enrichment Program FY22	84.424	309-552592-2022-0775	11,376
Student Support and Academic Enrichment Program FY21	84.424	309-412023-2021-0775	7,161
COVID-19 - Education Stabilization Fund - Accelerated Literacy Learning	84.425	719-778212-2023-0775	91,027
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER II) Fund	84.425D	115-501353-2021-0775	4,000
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER III - ARP) Fund	84.425U	119-511373-2022-0775	<u>391,804</u>
<b>Total U.S. Department of Education</b>			<b><u>3,439,620</u></b>
<b>Total Federal Expenditures</b>			<b><u>\$ 5,148,526</u></b>

*See notes to schedule of expenditures of federal awards.*



# WACHUSETT REGIONAL SCHOOL DISTRICT

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2023

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### NOTE 1 - BASIS OF PRESENTATION

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, 2023. 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.

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

### NOTE 3 - 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 4 - DONATED PERSONAL PROTECTIVE EQUIPMENT (PPE) (UNAUDITED)

During fiscal year 2023, the District did not receive donated PPE from federal sources.

### NOTE 5 - SUBRECIPIENTS

Of the federal expenditures presented in the Schedule, the District did not provide federal awards to subrecipients.

**WACHUSETT REGIONAL SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED JUNE 30, 2023**

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**SECTION I - SUMMARY OF AUDITORS' RESULTS**

***FINANCIAL STATEMENTS***

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP:

*Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported

Non-compliance material to financial statements noted?

Yes  No

***FEDERAL AWARDS***

Internal control over major federal programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported

Type of auditors' report issued on compliance for major federal 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:

**NAME OF FEDERAL PROGRAM OR CLUSTER**

**ASSISTANCE LISTING NUMBER(S)**

Special Education Cluster

84.027/84.173

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

Yes  No

**WACHUSETT REGIONAL SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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**SECTION II - FINANCIAL STATEMENT FINDINGS**

***2023-001 Improve Controls over Cash Reconciliation Procedures (Significant Deficiency)***

***Criteria***

Performing timely cash reconciliations and reviewing all reconciling items are critical procedures to ensure the District's cash balances are properly reported and controlled.

***Condition and Context***

Cash was not reconciled at all for fiscal year 2023 until after the year ended.

***Cause and Potential Effect***

The District has not established adequate procedures to ensure that cash reconciliations are being completed and reviewed in a timely manner. When these reconciliations are not being performed, there is an increased risk that errors or irregularities could occur and go undetected.

***Recommendation***

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.

***Views of Responsible Official***

Management agrees with the finding.

***Planned Corrective Action***

Management's corrective action plan is included at the end of this report after the Schedule of Prior Year Findings.

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

None.

**WACHUSETT REGIONAL SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

**FOR THE YEAR ENDED JUNE 30, 2023**

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

<b><u>Finding #</u></b>	<b><u>Program</u></b>	<b><u>Finding/Noncompliance</u></b>	<b><u>Current Year Status</u></b>
2022-001	Financial Statement Finding	Improve Controls over Cash Reconciliation Procedures (Material Weakness)	Repeated in 2023-001
2022-002	Financial Statement Finding	Improve Controls over Payroll (Significant Deficiency)	Satisfactorily Resolved



# Wachusett Regional School District

~~Holden, Paxton, Princeton, Rutland, Sterling~~  
*Wachusett Regional School District*  
*Holden, Paxton, Princeton, Rutland, Sterling*

## FY23 AUDIT CORRECTIVE ACTION PLAN Completed 07/25/2024

### 2023-001 Improve Controls over Cash Reconciliation Procedures (Significant Deficiency)

Cash was not reconciled during both fiscal years 2022 and 2023 due to changes in staffing. The reconciliation is a job requirement of the Assistant Director of Business & Finance. For FY 2022 the cash book and reconciliation was completed by CliftonLarsonAllen Consultants in February 2023. The Assistant Director employed with the District from September 2021 through June 2023 did not continue to complete reconciliations as required and left leaving cash unreconciled for FY 2023. On July 1, 2023, a new Assistant Director of Business and Finance rejoined the District. They completed the cash reconciliations through fiscal year 2023 by November 2023 and has remained current for FY 2024. As of today, the cashbook is complete and cash is reconciled through June 30, 2024.

Respectfully submitted,  
Michelle Grisé, Director of Business & Finance

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