

**To: Darryll McCall, Superintendent**  
**From: Joseph Scanlon, Director of Business & Finance**  
**Date: 9/7/16**  
**Re: Business Office Update for 9/12/2016**

Attachment B  
September 8, 2016

FY 2017 Budget Status

Attached is a year to date Budget Summary Report from Munis through Period 2 (August) (see Attachment A). This report reflects the initial status of the budget as encumbrances are being entered. The box below looks at FY14 and FY15 audited spending, projected year-end for FY16 and the appropriation budgets for FY17:

Appropriation	FY14 Audited Actuals	FY 15 Audited Actuals	FY16 Projected Yearend	FY 17 Approved Budget
Salaries & Stipends	\$50,374,661	\$51,627,789	\$53,798,213	\$56,177,711
Benefits & Insurance	\$11,113,685	\$11,830,768	\$11,760,583	\$13,216,175
Instructional Support	\$1,668,135	\$2,712,710	\$2,786,891	\$2,716,126
Operations & Maintenance	\$3,474,466	\$3,677,425	\$3,258,472	\$3,522,312
Pupil Services	\$154,648	\$154,008	\$82,230	\$70,867
Special Ed Tuitions	\$1,569,212	\$1,060,336	\$1,491,891	\$1,521,857
Other Operating Costs	\$1,173,974	\$1,161,976	\$1,313,531	\$1,137,237
Transportation	\$5,219,994	\$5,705,898	\$5,641,339	\$5,962,323
Debt Service	<u>\$2,863,375</u>	<u>\$2,610,135</u>	<u>\$2,570,711</u>	<u>\$2,551,056</u>
Total General Fund YTD	\$77,612,150	\$80,541,045	\$82,703,861	\$86,875,664

The following comments are provided for each expense appropriation:

1. Salaries & Stipends – As of Period 2 (August) this appropriation is showing a balance which will continue to be reduced as salaries are entered. Remaining balances will be for over-time, substitutes and stipends.
2. Benefits & Insurance – As of Period 2 (August) this appropriation is showing an available balance which will become a deficit as additional charges are encumbered. Over the balance of the year this appropriation will remain in deficit until employee benefit charge-backs are applied to grants and revolving funds by year-end.
3. Instructional Supplies, Equipment & Technology – As of Period 2 (August) this appropriation is showing an available balance which will be reduced as purchase orders are entered. Targets for instructional supply budgets are that they be spent by 50% immediately and by 75% by mid-year.
4. Operations & Maintenance – As of Period 2 (August) this appropriation is showing a balance which will be reduced as contracts are encumbered. Remaining funds will be available for routine and discretionary repairs.
5. Pupil Services – As of Period 2 (August) this appropriation is showing an available balance which is reflective of health office supply budgets yet to be spent.
6. Special Education Tuitions - As of Period 2 (August) the deficit balance in this appropriation is consistent with projected charge-backs to Circuit Breaker and the IDEA Grant. This deficit will be reduced by year-end.
7. Other Operating Costs – As of Period 2 (August) this appropriation is showing a positive balance which will be reduced each month following application of tuition-out charges for School Choice and Charter School.
8. Transportation - As of Period 2 (August) the majority of PO encumbrances have been entered for regular day and special education transportation services and the appropriation is on budget.
9. Debt Service – As of Period 2 (August) this appropriation is showing a large available balance which will be adjusted once the PO encumbrances for debt service payments are finished being entered.

## Business Office Update for 9/12/2016 (continued)

### FY 2017 Revenue Budget Status

Attached is a Munis Revenue Report through Period 2 (August) (See Attachment B). Within accounts for town assessment payments activity is shown as this is the first year that towns are making payments four-times a year.

Revenue Source	FY14 Audited Actuals	FY 15 Audited Actuals	FY16 Projected Yearend	FY 17 Approved Budget
Town Assessments	(\$50,738,699)	(\$50,863,356)	(\$52,954,295)	(\$56,539,231)
Chapter 70 Aid	(\$24,731,804)	(\$24,988,920)	(\$25,438,325)	(\$26,385,616)
Ch 71 Transportation Aid	(\$2,840,623)	(\$2,437,802)	(\$2,673,833)	(\$2,413,662)
Charter Aid	(\$61,307)	(\$40,839)	(\$39,456)	(\$62,155)
Medicaid Reimbursement	(\$518,533)	(\$788,756)	(\$647,908)	(\$950,000)
Investment Income	(\$16,248)	(\$23,855)	(\$29,212)	(\$25,000)
Miscellaneous	(\$194,873)	(\$487,731)	(\$195,775)	(\$200,000)
Use of Excess & Deficiency	(\$0)	(\$909,786)	(\$850,000)	(\$150,000)
Total General Fund YTD	(\$79,102,087)	(\$80,541,045)	(\$82,828,804)	(\$86,725,664)

### FY 2016 Year-end Reports

Enclosed is a copy of the year-end letter issued from the Division of Local Services (DLS) (See Attachment C). Also included is a copy of an email from the Department of Elementary and Secondary Education (DESE) on the posting of the End of Year Report (EOYR) (See Attachment D). Throughout the month of September Finance Manager Michelle White, District Treasurer Jim Dunbar and I will be working on these reports which will all be submitted by 9/30/16. Copies of the reports will be reviewed with the B/F Subcommittee in October.

### FY 2015 Student Activities Audit Response Plan

Enclosed is a draft of the FY 2015 Student Activities Audit Response Plan which has been reviewed with the B/F Subcommittee and will be reviewed with Audit Advisory Board (AAB) at their next meeting (See Attachment E).

### FY 2016 Audit Schedule

Over the past few weeks Finance Manager Michelle White and I have been coordinating with Grady Connor of Lynch, Malloy, Marini (LMM) regarding the FY 2016 annual audit. Many of the documents on the "audit needs list" have been uploaded to LMM's secure portal. The audit schedule places LMM on site starting on September 15<sup>th</sup> and returning on site on the 19<sup>th</sup>, 21st-23rd, and 26th-27<sup>th</sup>. On or about September 27<sup>th</sup> LMM will complete their field work and hold an exit conference. The week of October 17th (3 weeks to draft financials) LMM will meet with AAB, B/F and District Administration. The week of October 31st the audit reports will be issued.

### FY 2017 Foundation Budget

Each year the Dept, of Elementary and Secondary Education (DESE) releases a Foundation Budget showing detailed calculations (See Attachment F). The chart below compares the four (4) most recent fiscal years:

	<u>FY14</u>	<u>FY15</u>	<u>FY 16</u>	<u>FY 17</u>
Foundation Enrollment	7,136	7,064	7,052	7,100
Foundation budget	\$63,737,669	\$63,713,837	\$65,656,785	\$65,958,496
Required contribution (MLC)	\$39,961,275	\$39,643,665	\$40,218,460	\$39,859,181
Chapter 70 aid	\$24,731,804	\$24,988,920	\$25,438,325	\$26,385,616
Net school spending (NSS)	\$64,693,079	\$64,632,585	\$65,656,785	\$66,244,797

- Foundation Enrollment is the combined enrollment of resident students in all member towns. Pre-K and Half-day Kindergarten students are counted as .5 FTE.
- Foundation Budget is the amount needed to provide a fair and equitable education. It covers expenditures directly related to instruction but not Transportation, Debt Service, School Choice or Charter School.
- Required Contributions are the combined Minimum Local Contributions (MLC) paid by the Member Towns.
- Chapter 70 Aid is the state's contribution to achieve a fair and equitable education and is set after MLC's have been determined for the Member Towns.
- Net School Spending (NSS) is the actual amount that the District is required to spend and includes (MLC), Chapter 70 and any additional aid provided by the state such as Target Reduction Aid.



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Wachusett Regional School District  
YEAR-TO-DATE BUDGET REPORT

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FOR 2017 13

ACCOUNTS FOR: 001 GENERAL FUND	ORIGINAL APPROP	TRANSFRS/ ADJSTMTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
1 SALARIES & STIPENDS	55,837,736	339,975	56,177,711	1,729,660.37	51,441,455.94	3,006,594.49	94.6%
2 BENEFITS & INSURANCE	13,343,579	-127,404	13,216,175	4,655,424.26	8,294,824.22	265,926.38	98.0%
3 INST SUP-EQUIP & TECH	2,565,229	150,897	2,716,126	289,123.71	961,323.75	1,465,678.95	46.0%
4 OPERATIONS & MAINTENANCE	3,447,482	74,830	3,522,312	223,269.27	2,532,063.15	766,979.58	78.2%
5 PUPIL SERVICES	84,660	-13,793	70,867	10,133.02	6,340.13	54,394.19	23.2%
6 SPECIAL ED TUITIONS	1,590,602	-68,745	1,521,857	294,190.52	4,775,025.60	-3,547,359.46	333.1%
7 OTHER OPERATING COSTS	1,118,200	19,037	1,137,237	54,612.00	.00	1,082,625.00	4.8%
8 TRANSPORTATION	6,067,864	-105,541	5,962,323	1,004,989.77	4,948,351.88	8,981.35	99.8%
9 DEBT SERVICE	2,551,056	0	2,551,056	671,071.88	.00	1,879,984.12	26.3%
TOTAL GENERAL FUND	86,606,408	269,256	86,875,664	8,932,474.80	72,959,384.67	4,983,804.60	94.3%



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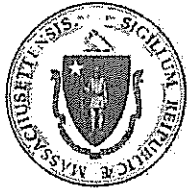
Wachusett Regional School District  
YEAR-TO-DATE BUDGET REPORT

09/06/2016 17:16  
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FOR 2017 13

ACCOUNTS FOR: 001	GENERAL FUND	ORIGINAL APPROP	TRANSFRS/ ADJSTMTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
401412	ASSESSMENT REV-NON NSS-HOL	-17,442,852	0	-17,442,852	-3,891,821.25	.00	-13,551,030.75	22.3%
401413	ASSESSMENT REV-NON NSS-PAX	-4,194,000	0	-4,194,000	-1,032,991.25	.00	-3,161,008.75	24.6%
401414	ASSESSMENT REV-NON NSS-PRI	-3,426,348	0	-3,426,348	-819,638.50	.00	-2,606,709.50	23.9%
401415	ASSESSMENT REV-NON NSS-RUT	-6,813,218	0	-6,813,218	-1,452,923.75	.00	-5,360,294.25	21.3%
401416	ASSESSMENT REV-NON NSS-STE	-7,982,763	0	-7,982,763	-1,871,186.50	.00	-6,111,576.50	23.4%
401422	ASSESSMENT REV-NSS-HOL	-4,557,244	-133,895	-4,691,139	-1,172,784.75	.00	-3,518,354.29	25.0%
401423	ASSESSMENT REV-NSS-PAX	-1,018,878	-29,969	-1,048,847	-262,211.75	.00	-786,635.35	25.0%
401424	ASSESSMENT REV-NSS-PRI	-635,201	-18,665	-653,866	-163,466.50	.00	-490,399.76	25.0%
401425	ASSESSMENT REV-NSS-RUT	-2,405,804	-70,658	-2,476,463	-619,115.50	.00	-1,857,347.34	25.0%
401426	ASSESSMENT REV-NSS-STE	-1,661,184	-48,833	-1,710,017	-427,504.25	.00	-1,282,512.74	25.0%
401432	TRANS ASSESS-HOLDEN	-1,625,660	52,239	-1,573,421	-393,355.25	.00	-1,180,065.59	25.0%
401433	TRANS ASSESS-PAXTON	-363,454	11,679	-351,775	-87,943.75	.00	-263,831.30	25.0%
401434	TRANS ASSESS-PRINCETON	-226,589	7,281	-219,308	-54,827.00	.00	-164,480.54	25.0%
401435	TRANS ASSESS-RUTLAND	-858,199	27,577	-830,622	-207,655.25	.00	-622,966.26	25.0%
401436	TRANS ASSESS-STERLING	-592,578	19,042	-573,536	-143,384.00	.00	-430,152.16	25.0%
401442	DEBT ASSESS-HOLDEN	-1,060,321	0	-1,060,321	-265,080.25	.00	-795,240.75	25.0%
401443	DEBT ASSESS-PAXTON	-258,822	0	-258,822	-64,705.50	.00	-194,116.50	25.0%
401444	DEBT ASSESS-PRINCETON	-177,139	0	-177,139	-44,284.75	.00	-132,854.25	25.0%
401445	DEBT ASSESS-RUTLAND	-644,062	0	-644,062	-161,015.50	.00	-483,046.50	25.0%
401446	DEBT ASSESS-STERLING	-410,712	0	-410,712	-102,678.00	.00	-308,034.00	25.0%
401450	CHAPT 70-REGIONAL SCHOOL AID	-26,385,616	0	-26,385,616	-2,198,801.00	.00	-24,186,815.00	8.3%
401451	CHAPT 71-REGIONAL SCHOOL TRA	-2,413,663	1	-2,413,662	.00	.00	-2,413,662.00	.0%
401454	TXFR-UNRESERVED E&D	-62,154	-1	-62,155	.00	.00	-62,155.00	.0%
401455	MEDICAID	-150,000	0	-150,000	.00	.00	-150,000.00	.0%
401460	INTEREST	-14,946	0	-14,946	.00	.00	-14,946.00	.0%
401462	MISC REVENUE	-275,000	-10,054	-285,054	-1,519.64	.00	-286,573.64	6.1%
	TOTAL GENERAL FUND	-86,606,408	-269,256	-86,875,664	-15,502,473.66	.00	-71,373,190.47	17.8%





# DLS

DIVISION OF LOCAL SERVICES  
MA DEPARTMENT OF REVENUE

Michael J. Heffernan  
Commissioner of Revenue

Sean R. Cronin  
Senior Deputy Commissioner

To: Regional School District Business Officials  
From: Mary Jane Handy, Director of Accounts  
Date: July, 2016

This letter sets forth the year-end reporting requirements pursuant to G.L. Chapter 71, § 16B½ and 603 CMR 41.06 for certification of excess and deficiency (E & D) for the General Fund and certain other related matters.

If E & D is not certified by the Bureau of Accounts by June 30, the District does not have authority to use E & D as a funding source in the next fiscal year budget.

*Information in this letter is updated and continued from last year*

## **Balance Sheet – Form Submission Requirements**

All procedures necessary to properly close accounting records should be completed. Pre-closing trial balances will not be accepted. Only balance sheets that have been closed as of June 30, 2016 will be accepted for certification of free cash. Please submit hard-copy documentation of information not already entered or uploaded into Gateway to your BOA field representative.

UMAS accounting does not require that local governmental entities convert their chart of accounts to conform to GASB 54 definitions. The Bureau will continue to allow fund balance definitions to appear as in the past.

Some of the required year end forms are down-loadable from the DLS website when linked and are up-loadable or data entered in the Gateway system under the MISC Forms Tab.

- Combined Balance Sheet and Combining Balance Sheets for each fund type including individual fund balances (may include a system generated balance sheet);
- Detailed analysis of undesignated fund balance/surplus revenue;
- Cash Reconciliation Form;
- FY2016 Year End Checklist;
- Treasurer's Year End Cash Report;
- Statement of Indebtedness;
- Summary of the FY2017 budget (operating and capital)
- Schedule of assessments to each member city and town
- Other information as requested by the Bureau;
- Audited financial statements;

*Supporting a Commonwealth of Communities*

mass.gov/DLS  
P.O. Box 9569 Boston, MA 02114-9569  
(617) 626-2300

**Please be reminded that monthly distribution of state aid may be withheld if the regional school district has not filed the required forms and schedules as of June 30, 2016 to the Bureau of Accounts by October 31, 2016**

For Regional School Districts that the Director of Accounts requires audited financial statements prior to certification of E & D, the Director may decide not to certify or reduce the amount if the independent auditor's opinion is adverse or if the opinion is disclaimed.

### **Balance Sheet Presentation**

Submit hard-copy documentation allowing sufficient time for Bureau review and certification.

- For revenue recognition purposes, state and federal reimbursements must be received by September 30 to offset a deficit fund balance as of June 30.
- At the discretion of the Commissioner of the Department of Elementary and Secondary Education (DESE), funding below the required net school spending level could result in a reduction of State aid.
- Invested funds must be reported at fair value as of June 30.
- Incurred But Not Reported claims of a self-insured health care trust fund must be accrued and reported on the balance sheet. A June 30, 2016 deficit in this fund is a reduction to free cash and must be provided for in the FY2017 tax rate.
- The State Special Education Reimbursement Fund (Circuit Breaker) June 30 balance can be no greater than DESE's FY2016 reimbursement, not including extraordinary assistance or funds obligated by the regional district school committee for FY2017 purposes. Any fund balance in excess of the allowable balance must close to the General Fund on June 30. Any FY2016 deficit in the fund must be charged to the FY2017 regional school district budget and will have no effect on June 30, 2016 E & D. Proof of this charge must be provided to the Bureau of Accounts or E & D will be reduced.
- Massachusetts School Building Authority (MSBA) lump-sum payments may require reservation and amortization. Review IGR 08-102 for instructions.
- Inter-fund borrowing advances must be repaid no later than June 30. Review IGR 92-105. Debt authorized for jurisdictions under legal restriction to obtain approval from the Commissioner of Revenue must first receive local approval and then the Commissioner's before inter-fund borrowing and expenditure of funds can occur.

- Reservations of interest income from investments, certain bond/BAN premiums, rebates and medicare/medicaid reimbursements are improper and unless special legislation or the Director of Accounts requires such reservation, they must be closed to the district's General Fund. Additionally, close all encumbrances to the General Fund not supported by a legal commitment made to a third party.
- Any bond or bond anticipation note premium that will not be returned to the member communities because of debt exclusion votes taken by the members, must be closed to the district's General Fund on June 30. Per G.L. chapter 44, § 20, the Bureau must then reduce the members' debt exclusions by the amount that represents their proportionate share of the premium kept by the district through maturity of the debt. Otherwise, the premium must be reserved and returned to district members by no later than June 30. The return of premium may be either by a reduction to the capital assessment or by separate check.
- For calculating the maximum Excess and Deficiency (E & D) under G.L. c. 71, § 16B½ as of June 30, 2016, the Bureau will use five percent (5%) of the district's operating and capital budget for the subsequent fiscal year. Per 603 CMR 41.05 1(e):

*Expenditures from grant funds, revolving funds, trust funds and other funds that by law may be expended by the regional school committee without further appropriation, shall not be included in the budget. A summary of projected receipts and expenditures in such funds shall be provided to the members for informational purposes only along with the budget.*

- E & D will be reduced by the amount of any school grant reported in deficit.
- Rebated funds (e.g. energy rebates) received from a utility or other vendor cannot be reserved on the balance sheet and must be closed to the General Fund at the end of the fiscal year.
- Monthly State Aid Distribution and Use of Additional Funds - For FY2017, the Division of Local Services will continue to distribute monthly State aid.
- Bulletin 2013-01B, which supersedes prior Bulletins on the matter, explains the application of premiums received in connection with the sale of bonds or notes that are subject to an approved Proposition 2½ debt exclusion generally and announces an alternative method for applying them.



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## School Finance: Accounting and Auditing

### 2015-2016 End of Year Financial Report (including Schedule 19 School Budget - 2016-2017)

To: School and Municipal Officials

From: Jay Sullivan, Executive Director, School Finance & District Support

Date: July 5, 2016

We have reached the end of the 2015-2016 school year, and it is again time to begin the work on the End-of-Year Financial Report. Since all districts must file their End of Year Reports (EOYR) on Excel templates, we have included download/upload instructions in your packet. We have also included a manual of directions, a transportation certification and other handouts we hope will be helpful.

The (EOYR) file, the original signature page and all supplementary reports are due to School Business Services by **Friday September 30**. Completing these reports accurately will require a careful review of all changes and the instructions included with the report. Since school and municipal officials sign and submit these data reports to the Commonwealth under the penalties of perjury, please take care to ensure that the data you submit from your school district is accurate and meets the requirements of the law.

The Board of Elementary and Secondary Education and I take the accountability requirements of the Education Reform Act seriously. Our ability to assess progress toward reaching the goals to Reform depends on accurate and timely data collection and reporting. We must be able to rely on the data you report in order to administer Chapter 70 and other state and federal funding programs in a timely manner. We are aware of the administrative burdens placed on local districts and are always looking for ways to ease that burden while continuing to get the data we need.

In the past, extensions of the deadline have been granted under limited circumstances. However, our need for this information is urgent. **Therefore**, I am asking you to upload your file, return your completed certification signature page and other reports by the required **September 30 deadline** to the address below.

MA Department of Elementary & Secondary Education  
School Business Services  
75 Pleasant St.  
Malden, MA 02148-4906

If you anticipate or experience problems with timely, accurate completion of your district report, please notify any of the staff listed on the list of contacts included in the PowerPoint presentation.

Thank you for your cooperation and assistance in providing this very important financial data.

#### Reporting Responsibilities

**School Officials** are responsible for ensuring that all reports and schedules are complete and comply with all edit checks provided on the excel file. This includes the reporting of all revenues received by the school committee or the municipality on behalf of the school district and all expenditures from the school committee budget, state or federal funds, revolving accounts or the municipal budget on behalf of the school district.

**End of Year Packet**  
 Certification (signature) Page  
 End of Year Report book  
 Transportation Certification (for Regional School Districts only)  
 End of Year Report File Download/Upload instructions  
 PowerPoint presentation for workshop  
 Guidance for reporting Revenues and Expenditures for School Construction  
 Schedule of Depreciation for School Transportation Vehicles  
 Schedule of Costs Claimed for Leased Buildings and Capital Equipment  
 Amendment Smart Form instructions  
 Workshop Evaluation - blue

**Municipal Officials** are responsible for providing the school district with information and documentation on municipal revenues (including any state aid received from the Massachusetts School Building Authority), expenditures and budget items in support of education, to allow the school district to complete the full report in a timely manner.

#### K-12 Regional Districts and Member Towns

##### Municipal Officials

A condensed version of the full report will be provided to the board of selectmen of towns that are members of K-12 regions. Please be aware that state aid that may be due to municipalities for transportation services cannot be calculated unless we receive this report.

**School Officials** are asked to coordinate the filing of the condensed version of the End of Year Report by each of their member towns. A member community of a K-12 regional school district must report all assessments paid to the regional school district on this separate report and all long-term debt paid directly by the town for school construction. *In addition*, if a member town pays its own tuition and/or transportation costs to a vocational or other school district, these costs and the corresponding rider information must be reported by the town in order to be eligible for state aid.

#### Administrative Per Pupil Cost.

Section 10.20 of Regulations for School Finance allows the option of charging and reporting town administrative costs based on the statewide average cost per student of such services. For municipalities and school committees that have agreed to use this method for their budgeting and year-end reporting, the per pupil administrative average cost to be used in FY17 is \$111.82. The per pupil administrative average for cost for FY16 was \$108.96. This is also posted on the [School Finance website](#).



**FY16 Student Activities Audit Response Plan**  
**Updated as of 9/7/16**

8. Checking accounts were reconciled monthly by the schools, the depository accounts were reconciled arbitrarily and not by a set schedule. Reconciliation of depository accounts, when performed, were completed by the central office. Location: All schools. Recommendation: Although the DESE recommends that reconciliations be done at least quarterly, we recommend monthly reconciliations of all accounts, including depository accounts and student activity account balances. In addition, reconciliations should be sent the Central Office, School Committee, student officers, and the District Treasurer, as applicable.
- **District response: Exception Noted – The District Treasurer and Finance Manager both complete reconciliations of student activity bank accounts each month. Agreed - District Policy 4721 Student Activity funds will be revised to include requirements for School Principals to do monthly reconciliations of student activity checking accounts.**
9. School Committee should establish periodic reporting timelines for revenue and expenditures to date, unexpended budgets and any changes in originally submitted financial reports.
- **District Response: Agreed - District Policy 4721 Student Activity funds will be revised to include a schedule of annual tasks related to student activities.**

**IV. REVENUE, RECEIPTS AND DEPOSITS**

10. In accordance with DESE Guidelines Section IV use pre-numbered receipts to control the sale of tickets and collection of revenues to identify gaps in sales sequence. Examples: Wachusett Regional High School, Mountview Middle School, Central Tree Middle School, Chocksett Middle School, Paxton Center School.
- **District Response: This is a DESE guideline with no legal reference or requirement. The District will take this recommendation under advisement.**
11. In accordance with DESE guidelines all student activities monies should be deposited at minimum on a weekly basis. Examples: Thomas Prince School, Paxton Center School.
- **District Response: Agreed – Business Office Student Activity procedures mandate that funds are deposited within 48 hours. District Policy 4721 Student Activity funds will be revised to dictate same.**
12. In accordance with DESE guidelines separate duties for cash collection and deposit versus the accounting and recording functions Establish guidelines for individuals performing specific duties such as making deposits, completing revenue collection forms, collecting cash, and signing off forms. Examples cited Chocksett Middle School, Paxton Center School, and Thomas Prince School.
- **District Response: Agreed - District Policy 4721 Student Activity funds will be revised to mandate segregation of duties. The Business Office will issue a procedure outlining duties if limited to two or three people at each school.**
13. Per DESE guidelines establish a policy that specifies that any undesignated receipts should be deposited into student activity depository accounts and not into the Principal's school checking account.
- **District Response: Agreed - District Policy 4721 Student Activity funds will be revised to direct how undesignated funds are to be handled.**
14. In accordance with DESE guidelines all individual student activities should have separately stated guidelines and objects with monies and activity accounted for in a subsidiary account. Example: Mountview Middle School banquet revenues deposited into the general student activities fund, expenses paid from the general activity account.
- **District Response: Agreed - District Policy 4721 Student Activity funds will be revised that all schools provide a statement of objectives for each student activity.**

**FY16 Student Activities Audit Response Plan**  
**Updated as of 9/7/16**

8. Checking accounts were reconciled monthly by the schools, the depository accounts were reconciled arbitrarily and not by a set schedule. Reconciliation of depository accounts, when performed, were completed by the central office. Location: All schools. Recommendation: Although the DESE recommends that reconciliations be done at least quarterly, we recommend monthly reconciliations of all accounts, including depository accounts and student activity account balances. In addition, reconciliations should be sent the Central Office, School Committee, student officers, and the District Treasurer, as applicable.

- **District response: Exception Noted – The District Treasurer and Finance Manager both complete reconciliations of student activity bank accounts each month. Agreed - District Policy 4721 Student Activity funds will be revised to include requirements for School Principals to do monthly reconciliations of student activity checking accounts.**

9. School Committee should establish periodic reporting timelines for revenue and expenditures to date, unexpended budgets and any changes in originally submitted financial reports.

- **District Response: Agreed - District Policy 4721 Student Activity funds will be revised to include a schedule of annual tasks related to student activities.**

#### IV. REVENUE, RECEIPTS AND DEPOSITS

10. In accordance with DESE Guidelines Section IV use pre-numbered receipts to control the sale of tickets and collection of revenues to identify gaps in sales sequence. Examples: Wachusett Regional High School, Mountview Middle School, Central Tree Middle School, Chocksett Middle School, Paxton Center School.

- **District Response: This is a DESE guideline with no legal reference or requirement. The District will take this recommendation under advisement.**

11. In accordance with DESE guidelines all student activities monies should be deposited at minimum on a weekly basis. Examples: Thomas Prince School, Paxton Center School.

- **District Response: Agreed – Business Office Student Activity procedures mandate that funds are deposited within 48 hours. District Policy 4721 Student Activity funds will be revised to dictate same.**

12. In accordance with DESE guidelines separate duties for cash collection and deposit versus the accounting and recording functions Establish guidelines for individuals performing specific duties such as making deposits, completing revenue collection forms, collecting cash, and signing off forms. Examples cited Chocksett Middle School, Paxton Center School, and Thomas Prince School.

- **District Response: Agreed - District Policy 4721 Student Activity funds will be revised to mandate segregation of duties. The Business Office will issue a procedure outlining duties if limited to two or three people at each school.**

13. Per DESE guidelines establish a policy that specifies that any undesignated receipts should be deposited into student activity depository accounts and not into the Principal's school checking account.

- **District Response: Agreed - District Policy 4721 Student Activity funds will be revised to direct how undesignated funds are to be handled.**

14. In accordance with DESE guidelines all individual student activities should have separately stated guidelines and objects with monies and activity accounted for in a subsidiary account. Example: Mountview Middle School banquet revenues deposited into the general student activities fund, expenses paid from the general activity account.

- **District Response: Agreed - District Policy 4721 Student Activity funds will be revised that all schools provide a statement of objectives for each student activity.**

**FY16 Student Activities Audit Response Plan  
Updated as of 9/7/16**

15. In accordance with DESE best practices indicate that the use of pre-numbered receipts for deposits allow for stronger reconciliation of student activities and control over deposits.

- **District Response: This is the same as #10 and the Business Office will take this recommendation under advisement.**

16. During our review of the schools' activity, we noted that. Location: All Schools. Recommendation: In accordance with M.G.L. Ch. 44 Sect. 53A, Ch. 71 Sect. 37A, all grants and gifts for educational purposes shall be deposited with the District Treasurer and held as a separate account not within student activity funds. Examples: donations from businesses such as Target, Shaw's, etc. that help support operations.

- **District Response: Agreed Policy 4280 Gifts Grants and Bequests outlines procedures for handling donations. Exception Noted – Business Office will review District Policy 4721 Student Activity and DESE Guidelines regarding accepting donations for student activities.**

17. Per MGL Ch. 44 Sect. 53A and MGL Ch. 71, Sect. 37A recognize fundraising activity that supports operations and general use as a donation or gift not as a student activity. Example: Paxton Center School magazine drive used to purchase chrome carts.

- **District Response: Agreed – Policy 4280 Gifts Grants and Bequests makes this point clear and which will be reiterated during mandatory annual training.**

#### V. PURCHASING AND DISBURSEMENTS

18. In accordance with DESE Guidelines Section V, the policy adopted by the School Committee should specify the method(s) to be used to pay for expenses, including how to handle the reimbursement of funds when personal credit cards are used. Example: Paxton Center School.

- **District Response: Agreed – as mandated in P5273.3A Policy Relating To Personnel Management Employee Travel for Workshops, Conferences, and Visitations.**

19. In accordance with DESE policy, equipment and supplies purchased with activity funds are the property of the student activity groups and should not be used for general operations. Example: Paxton Center School.

- **District Response: This is the same as #17 and District Agreed – Policy 4280 Gifts Grants and Bequests makes this point clear.**

#### VI. CLASS, INACTIVE ACCOUNTS AND DEFICITS

20. As a matter of best practices, the School Committee should adopt a separate policy to address disposition of class accounts, graduated classes, inactive accounts, and remediation of student activity deficit balances. Examples: All Schools. Recommendation:

- **District Response: Agreed - District Policy 4721 Student Activity funds will be revised to include steps for the treasurer to take regarding obsolete funds.**

#### VII. STUDENT TRAVEL

21. School Committee should establish a policy that address pre-authorization of all field trips and overnight travel expenses, method(s) of payment, and final accountability for trip travel costs. Example: All Schools.

- **Agreed - P3321 Policy Relating to Education Field Trips requires advance approval by the Superintendent for late night or overnight travel.**

**Massachusetts Department of Elementary and Secondary Education  
Office of School Finance  
FY17 Chapter 70 Foundation Budget**

775 Wachusett

	Base Foundation Components										Incremental Costs Above The Base			TOTAL*
	(1) Pre-School	(2) Half-Day	(3) Kindergarten	(4) Elementary	(5) Jr High/Middle	(6) High School	(7) ELL PK	(8) ELL K Half	(9) ELL KF - 12	(10) Vocational	(11) Special Ed In District	(12) Special Ed Out of Dist	(13) Economically Disadvantaged	
Foundation Enrollment	65	343	141	2,637	1,785	2,209	0	6	120	0	265	71	793	7,100
1 Administration	11,831	62,429	51,324	959,868	649,740	804,076	0	1,092	43,680	0	665,749	178,370	0	3,428,160
2 Instructional Leadership	21,367	112,751	92,696	1,733,617	1,173,495	1,452,241	0	1,972	78,890	0	0	0	0	4,667,029
3 Classroom and Specialist Teachers	97,972	516,990	425,046	7,949,157	4,735,159	8,617,508	0	13,620	544,793	0	2,196,805	0	2,367,279	27,464,329
4 Other Teaching Services	25,127	132,594	109,016	2,038,823	993,442	1,023,518	0	1,855	74,186	0	2,051,127	2,725	0	6,452,411
5 Professional Development	3,875	20,446	16,818	314,594	230,836	276,987	0	485	19,376	0	105,974	0	52,100	1,041,491
6 Instructional Equipment & Tech	14,180	74,829	61,520	1,150,549	778,813	1,542,103	0	1,309	52,357	0	92,498	0	0	3,768,159
7 Guidance and Psychological	7,128	37,613	30,930	578,452	521,202	808,538	0	876	35,039	0	0	0	0	2,019,778
8 Pupil Services	2,835	14,962	12,305	345,183	381,651	1,089,103	0	393	15,708	0	0	0	0	1,862,140
9 Operations and Maintenance	27,206	143,563	118,030	2,207,406	1,619,923	1,943,765	0	3,400	135,988	0	743,675	0	365,613	7,308,568
10 Employee Benefits/Fixed Charges	24,523	129,407	106,387	1,969,801	1,280,630	1,522,597	0	2,848	113,905	0	842,493	0	240,303	6,252,895
11 Special Ed Tuition	0	0	0	0	0	0	0	0	0	0	0	1,693,536	0	1,693,536
<b>12 Total</b>	<b>236,044</b>	<b>1,245,584</b>	<b>1,024,072</b>	<b>19,267,451</b>	<b>12,364,891</b>	<b>19,080,436</b>	<b>0</b>	<b>27,848</b>	<b>1,113,923</b>	<b>0</b>	<b>6,698,320</b>	<b>1,874,631</b>	<b>3,025,295</b>	<b>65,958,496</b>
13 Wage Adjustment Factor	100.0%													
14 Economically Disadvantaged Decile	2													
														Foundation Budget per Pupil 9,290

\* Total foundation enrollment does not include columns 11 through 13, because those columns represent increments above the base. The pupils are already counted in columns 1 to 10.

Total foundation enrollment assigns pupils in pre-kindergarten and half-time kindergarten an enrollment count of .5.

Special education in-district headcount is an assumed percentage, representing 3.75 percent of K to 12 non-vocational enrollment and 4.75 percent of vocational enrollment.

Special education out-of-district headcount is also an assumed percentage, representing 1 percent of non-vocational K-12 enrollment.

Economically disadvantaged headcounts are the number of pupils in columns 1 through 10 who are directly certified as eligible for the Supplemental Nutrition

Assistance Program (SNAP); the Transitional Assistance for Families with Dependent Children (TAFDC); the Department of Children and Families' (DCF) foster care program; and MassHealth (Medicaid).

Each component of the foundation budget represents the enrollment on line 1 multiplied by the appropriate state-wide foundation allotment.

The wage adjustment factor is applied to underlying rates in all functions except instructional equipment, benefits and special education tuition.

The foundation budget shown on this page may differ from the final number used in the formula, due to rounding error.