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Committee Members

John L. Foley, Chair
Molly O. McCullough, Vice-Chair
Dianna L. Biancheria

Administrative
Representatives
Brian Allen

OFFICE OF THE
CLERK OF THE SCHOOL COMMITTEE
WORCESTER PUBLIC SCHOOLS
20 IRVING STREET
WORCESTER, MA 01609

AGENDA #1

The Standing Committee on FINANCE AND OPERATIONS will hold a meeting:

on: Monday, April 12, 2021

at: 5:00 p.m.

virtually in: Room 410, Durkin Administration Building

ORDER OF BUSINESS

I. CALL TO ORDER

II. ROLL CALL

III. GENERAL BUSINESS

The following items will be discussed:

gb #9-11 - Administration (January 2, 2019)

**Annex A 31 pages
Annex B 29 pages**

To review the annual audit and agreed upon procedures on the Independent Accountant's Report on Applying Agreed Upon Procedures for Student Activity Fund Testing for fiscal years 2016, 2017, and 2018 prepared by CliftonLarsenAllen, LLP.

gb #9-260.1 - Administration/Mr. Monfredo/Miss Biancheria/Mr. Foley/Ms. McCullough/Mr. O'Connell (January 6, 2020)

Annex A 3 pages

Response of the Administration to the request to provide an update on the mold problem at Columbus Park Preparatory Academy and indicate whether or not the City Health Department has provided any recommendations for remediation of this problem.

gb #9-267 -Administration (August 21, 2019)

Annex A 14 pages
Annex B 29 pages

To review the annual audit and agreed-upon procedures report on compliance and internal controls for the City of Worcester, including the Worcester Public Schools, for the year that ended on June 30, 2019 which included the Government Accountability Office (GAO) and the Office of Management and Budget (OMB) A-133 Reports and the Management Letter.

gb #9-269 -Administration (August 21, 2019)

Annex A 12 pages
Annex B 12 pages

To review the annual audit and agreed-upon procedures on the Independent Accountants' Report on Applying Agreed-Upon Procedures for the Department of Elementary and Secondary Education End of Year Financial Report for fiscal year 2018-19.

ROS #0-6 -Administration (May 15, 2020)

Annex A 1 page

UPDATE ON THE STUDENT INFORMATION SYSTEM (SIS) PROCUREMENT PROJECT – Center for Educational Leadership and Technology (CELT)

gb #0-33 - Mr. Foley/Mrs. Clancey/Ms. McCullough/Mr. Monfredo/Ms. Novick (January 8, 2020)

Annex A 4 pages

To include a standing item for "Transportation Update" at each Finance and Operations committee meeting with information provided regarding the problems facing student transportation and improvements experienced.

gb #0-58 - Ms. Novick/Miss Biancheria/Mr. Foley/Mr. Monfredo (January 29, 2020)

Annex A 1 page

To discuss the proposal to move city polling locations into the Worcester Public Schools.

gb #0-267 - Administration (August 18, 2020)

Annex A 3 pages
Annex B 1 page

To review the status of the FY21 Budget and make appropriate transfers as required.

Considered with
gb0-346.1
gb0-353
Motion 0-138.5

gb #0-346.1 - Administration/Ms. Novick/Mrs. Clancey/Ms. McCullough/Mr. Monfredo (November 10, 2020)

Response of the Administration to the request to provide a report on actual total cost to district families of the 2021 Advanced Placement exams for consideration with the full committee's consideration of the first quarter budget report.

gb #0-353 - Administration (November 10, 2020)

To consider input from the School Committee's student representatives.
1. Request that the School Committee consider paying for the 2021 AP Exams.
(Fatimah Daffaie)

motion (gb #0-138.5) Ms. Novick (December 17, 2020)

500130-92000 Personal Services (Non-Salary)
Request that the Administration provide a report on how much it would cost the system to provide caps, gowns and tassels next year for graduating seniors.

(These items are considered together.)

gb #0-299 - Mayor Petty/Mrs. Clancey/Ms. McCullough (September 10, 2020)

Request that the Superintendent/Administration develop a Transition Plan to include HVAC upgrades to resume in-person educational services for high need special education students prior to the end of the first quarter.

gb #1-44 - Ms. Novick/Mrs. Clancey/Mr. Foley/Ms. McCullough/Mr. Monfredo (January 26, 2021)

Annex A 2 pages

Request administration propose for Committee consideration a priority list of facilities projects to improve the health and safety of school buildings using the new Elementary and Secondary School Emergency Relief Fund.

IV. ADJOURNMENT

Helen A. Friel, Ed.D.
Clerk of the School Committee

STANDING COMMITTEE: **FINANCE AND OPERATIONS**

DATE OF MEETING: Monday, April 12, 2021

ITEM: Administration (January 2, 2019)

To review the annual audit and agreed upon procedures on the Independent Accountant's Report on Applying Agreed Upon Procedures for Student Activity Fund Testing for fiscal years 2016, 2017, and 2018 prepared by CliftonLarsenAllen, LLP.

PRIOR ACTION:

1-17-19 - SCHOOL COMMITTEE MEETING

Referred to the Standing Committee on Finance and Operations.

5-22-19 - STANDING COMMITTEE ON FINANCE AND OPERATIONS

Mr. Allen stated that any Student Activity Accounts that have over \$25,000 need to be audited every three years with an internal audit being done in the off years. The Worcester Public Schools audits every year for the 11 secondary schools who have Student Activity Accounts to keep better reconciliation records.

(Continued on page 2.)

BACKUP:

Annex A (31 pages) contains a copy of the Report on Applying Agreed-Upon Procedures Student Activity Fund Testing for the Fiscal Year Ended June 30, 2017.

Annex B (29 Pages) contains a copy of the Report on Applying Agreed-Upon Procedures Student Activity Fund Testing for the Fiscal Year Ended June 30, 2018.

PRIOR ACTION (continued)

- 5-22-19 - Matthew Hunt, presented the findings on the application of
(continued) Applying Agreed-Upon Procedures for Student Activity Fund Testing for the fiscal year 2016. He stated that each school provides its bank record reconciliations but the supported documentation for various receipts should clearly identify what the activity relates to and should be dated by each of the people who are responsible for preparing and reviewing them. The reconciliation should be done within 30 days of the month's end. He further stated that not only should the reconciliations be dated but they should have the person's initials or signatures on them to create an audit trail. If there is accumulated interest in an account, MASBO recommends that this money be put into a separate account and spent separately. Mr. Allen stated that, in the past, the schools used Quicken to track their Student Activity Funds and Chromebooks do not support this program. The district is now using an online platform for Student Activity Funds. This helps to allow the district access to the schools' accounts and supports them with their account activities. Due to the many changes in the schools, training sessions will be provided next year to better assist with the Student Activity Account reconciliations. Held for the 2017 and 2018 reports.
- 6-6-19 - SCHOOL COMMITTEE MEETING - The School Committee approved the action of the Standing Committee as amended. Mr. O'Connell made the following motion:
Request that the Administration provide a report to the Standing Committee on the steps to correct the two internal processes related to the reconciliation of the student activities account.
On a voice vote, the motion was approved.

CITY OF WORCESTER, MASSACHUSETTS
REPORT ON APPLYING AGREED-UPON PROCEDURES
STUDENT ACTIVITY FUND TESTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

CITY OF WORCESTER, MASSACHUSETTS
REPORT ON APPLYING AGREED-UPON PROCEDURES
STUDENT ACTIVITY FUND TESTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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- Sullivan Middle School
- University Park Campus
- Worcester East Middle School
- Worcester Technical High School



**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Honorable School Committee
Worcester Public Schools
City of Worcester, Massachusetts

We have performed the procedures, as listed in the attached Schedule of Student Activity Funds Testing Results and Recommendations, which were agreed to by the Worcester Public Schools (WPS, the specified party), on the administration of WPS' student activity funds in accordance with the Massachusetts Student Activity Law (Massachusetts General Law (MGL) Chapter 71, Section 47) for the period July 1, 2016 through June 30, 2017. The WPS' management is responsible for the administration of its student activity funds in accordance with the Massachusetts Student Activity Law. The sufficiency of these procedures is solely the responsibility of the parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated in the attached Schedule of Student Activity Funds Testing Results and Recommendations either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are identified in the attached Schedule of Student Activity Funds Testing Results and Recommendations.

This agreed-upon procedures engagement was conducted 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 the WPS' administration of its student activity funds in accordance with the Massachusetts Student Activity Law. 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.

This report is intended solely for the information and use of the WPS and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Boston, Massachusetts
July 21, 2019

**CITY OF WORCESTER MASSACHUSETTS
 SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2017**

Agreed-Upon Procedures	Results	Recommendation
Burncoat Middle School		
1. Determine that the banking and accounting systems related to the Schools' student activity funds have been established in accordance with the Massachusetts Student Activity Law (Massachusetts General Law [MGL] Chapter 71, Section 47). Specifically, we will:		
a. Obtain from the Chief Financial and Operations Officer a list of Student Activity Checking Accounts maintained at the Schools and verify they have been authorized by the School Committee and said School Committee has authorized a maximum balance that may be on hand in such accounts through review of minutes and other documentation to be defined in our findings if applicable.	The procedure was performed without exception.	None.
b. Verify that student activity fund deposits are made to an interest bearing bank account (Student Activity Agency Account) maintained by the City Treasurer by obtaining a copy of three months bank statements for each of the schools.	The procedure was performed without exception.	None.
c. Verify that interest earned on the Agency Account is retained in a separate student activity fund and spent by direction of the School Committee by observing interest income postings to said separate account as maintained in the individual student activity funds detailed general ledger.	The procedure was performed without exception.	None.
d. Verify that deposits and/or transfers made to the Checking Account represented the initial funding of the Checking Account from the Agency Account or the reimbursement of expenses from the Agency Account through the City's warrant process by obtaining the applicable support for all deposits.	The procedure was performed without exception.	None.
e. Verify that the principal is bonded to secure the faithful performance of his/her duties in connection with such account by obtaining a copy of such bond.	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2017**

Agreed-Upon Procedures	Results	Recommendation
2. Obtain (from each Schools' Principal) and evaluate each of the student activity funds maintained at the Schools for the purpose of identifying any individual funds that fall outside the definition of student activity funds in accordance with the Massachusetts Student Activity Law and the Student Activity Accounts Guidelines for Massachusetts School Districts issued by the Massachusetts Association of School Business Officials.	The procedure was performed without exception.	None.
3. Obtain and evaluate a sample of 6 student activity Checking Account reconciliation(s) for each School during the engagement period to determine the following:		
a. Reconciliations were signed and dated by the preparer and reviewer	The procedure was performed without exception.	None.
b. Reconciliations were completed no later than 30 days after month-end	The procedure was performed without exception.	None.
c. Outstanding checks identified on the reconciliations were supported by a detailed listing	The procedure was performed without exception.	None.
4. Obtain and evaluate the June 30, 2017 student activity Checking and Agency Account reconciliations for each School and trace the balances per the bank reconciliations to the detailed balances of the individual student activity funds.	Procedure performed with the following exception: A formal reconciliation of bank reconciliation balances to the detailed balances of the individual student activity funds was not performed.	We recommend procedures be implemented to reconcile bank reconciliation balances to the detailed balances of the individual student activity funds.
5. Select a sample of 10 receipts to determine that they were:		
a. Credited to the applicable student activity account	The procedure was performed without exception.	None.
b. Deposited to the applicable Agency Account	The procedure was performed without exception.	None.
6. Select a sample of 10 disbursements to determine that they were:		
a. Supported by an approved invoice or other documentation	The procedure was performed without exception.	None.
b. Charged to the applicable student activity account	The procedure was performed with the following exception: 3 out of the 10 transactions selected for testing did not identify a specific student activity fund on the supporting documentation.	We recommend procedures be implemented to identify the specific student activity fund an expense relates to within the supporting documentation for each disbursement.
c. Appear to be related to the purpose for which the student activity fund was created	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
 SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2017**

Agreed-Upon Procedures	Results	Recommendation
Burncoat High School		
1. Determine that the banking and accounting systems related to the Schools' student activity funds have been established in accordance with the Massachusetts Student Activity Law (Massachusetts General Law [MGL] Chapter 71, Section 47). Specifically, we will:		
a. Obtain from the Chief Financial and Operations Officer a list of Student Activity Checking Accounts maintained at the Schools and verify they have been authorized by the School Committee and said School Committee has authorized a maximum balance that may be on hand in such accounts through review of minutes and other documentation to be defined in our findings if applicable.	The procedure was performed without exception.	None.
b. Verify that student activity fund deposits are made to an interest bearing bank account (Student Activity Agency Account) maintained by the City Treasurer by obtaining a copy of three months bank statements for each of the schools.	The procedure was performed without exception.	None.
c. Verify that interest earned on the Agency Account is retained in a separate student activity fund and spent by direction of the School Committee by observing interest income postings to said separate account as maintained in the individual student activity funds detailed general ledger.	The procedure was performed without exception.	None.
d. Verify that deposits and/or transfers made to the Checking Account represented the initial funding of the Checking Account from the Agency Account or the reimbursement of expenses from the Agency Account through the City's warrant process by obtaining the applicable support for all deposits.	The procedure was performed without exception.	None.
e. Verify that the principal is bonded to secure the faithful performance of his/her duties in connection with such account by obtaining a copy of such bond.	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2017**

Agreed-Upon Procedures	Results	Recommendation
2. Obtain (from each Schools' Principal) and evaluate each of the student activity funds maintained at the Schools for the purpose of identifying any individual funds that fall outside the definition of student activity funds in accordance with the Massachusetts Student Activity Law and the Student Activity Accounts Guidelines for Massachusetts School Districts issued by the Massachusetts Association of School Business Officials.	The procedure was performed without exception.	None.
3. Obtain and evaluate a sample of 6 student activity Checking Account reconciliation(s) for each School during the engagement period to determine the following:		
a. Reconciliations were signed and dated by the preparer and reviewer	The procedure was performed without exception.	None.
b. Reconciliations were completed no later than 30 days after month-end	The procedure was performed without exception.	None.
c. Outstanding checks identified on the reconciliations were supported by a detailed listing	The procedure was performed without exception.	None.
4. Obtain and evaluate the June 30, 2017 student activity Checking and Agency Account reconciliations for each School and trace the balances per the bank reconciliations to the detailed balances of the individual student activity funds.	Procedure performed with the following exception: A formal reconciliation of bank reconciliation balances to the detailed balances of the individual student activity funds was not performed.	We recommend procedures be implemented to reconcile bank reconciliation balances to the detailed balances of the individual student activity funds.
5. Select a sample of 10 receipts to determine that they were:		
a. Credited to the applicable student activity account	The procedure was performed without exception.	None.
b. Deposited to the applicable Agency Account	The procedure was performed without exception.	None.
6. Select a sample of 10 disbursements to determine that they were:		
a. Supported by an approved invoice or other documentation	The procedure was performed without exception.	None.
b. Charged to the applicable student activity account	The procedure was performed with the following exception: 4 out of the 10 transactions selected for testing did not identify a fund on the supporting documentation.	We recommend procedures be implemented to identify the specific student activity fund an expense relates to within the supporting documentation for each disbursement.
c. Appear to be related to the purpose for which the student activity fund was created	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
 SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2017**

Agreed-Upon Procedures	Results	Recommendation
Claremont Academy		
1. Determine that the banking and accounting systems related to the Schools' student activity funds have been established in accordance with the Massachusetts Student Activity Law (Massachusetts General Law [MGL] Chapter 71, Section 47). Specifically, we will:		
a. Obtain from the Chief Financial and Operations Officer a list of Student Activity Checking Accounts maintained at the Schools and verify they have been authorized by the School Committee and said School Committee has authorized a maximum balance that may be on hand in such accounts through review of minutes and other documentation to be defined in our findings if applicable.	The procedure was performed without exception.	None.
b. Verify that student activity fund deposits are made to an interest bearing bank account (Student Activity Agency Account) maintained by the City Treasurer by obtaining a copy of three months bank statements for each of the schools.	The procedure was performed without exception.	None.
c. Verify that interest earned on the Agency Account is retained in a separate student activity fund and spent by direction of the School Committee by observing interest income postings to said separate account as maintained in the individual student activity funds detailed general ledger.	The procedure was performed with the following exception: A separate student activity fund for interest was maintained, but no amounts were recorded to the fund.	We recommend interest income be recorded to the separate fund for interest.
d. Verify that deposits and/or transfers made to the Checking Account represented the initial funding of the Checking Account from the Agency Account or the reimbursement of expenses from the Agency Account through the City's warrant process by obtaining the applicable support for all deposits.	The procedure was performed without exception.	None.
e. Verify that the principal is bonded to secure the faithful performance of his/her duties in connection with such account by obtaining a copy of such bond.	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2017**

Agreed-Upon Procedures	Results	Recommendation
2. Obtain (from each Schools' Principal) and evaluate each of the student activity funds maintained at the Schools for the purpose of identifying any individual funds that fall outside the definition of student activity funds in accordance with the Massachusetts Student Activity Law and the Student Activity Accounts Guidelines for Massachusetts School Districts issued by the Massachusetts Association of School Business Officials.	The procedures were performed with the following exceptions: We identified fund balances for the Class of 2016. Based on the MASBO's SAAG, funds related to graduated classes should be closed out.	The WPS has policies and procedures for graduated class balances, and many of the School's graduated class funds were closed out in fiscal year 2016. We recommend the School follow these policies and procedures related to all graduated class balances still outstanding.
3. Obtain and evaluate a sample of 6 student activity Checking Account reconciliation(s) for each School during the engagement period to determine the following:		
a. Reconciliations were signed and dated by the preparer and reviewer	The procedure was performed without exception.	None.
b. Reconciliations were completed no later than 30 days after month-end	The procedure was performed without exception.	None.
c. Outstanding checks identified on the reconciliations were supported by a detailed listing	The procedure was performed without exception.	None.
4. Obtain and evaluate the June 30, 2017 student activity Checking and Agency Account reconciliations for each School and trace the balances per the bank reconciliations to the detailed balances of the individual student activity funds.	Procedure performed with the following exception: A formal reconciliation of bank reconciliation balances to the detailed balances of the individual student activity funds was not performed.	We recommend procedures be implemented to reconcile bank reconciliation balances to the detailed balances of the individual student activity funds.
5. Select a sample of 10 receipts to determine that they were:		
a. Credited to the applicable student activity account	The procedure was performed with the following exception: 3 out of the 10 transactions selected for testing did not identify a fund on the supporting documentation. 3 out of 10 lacked supporting documentation. 1 out of 10 had an amount that did not agree to the supporting documentation.	We recommend procedures be implemented to ensure documentation is maintained for receipts to support the amount of each receipt and the fund it relates to.
b. Deposited to the applicable Agency Account	The procedure was performed without exception.	None.
6. Select a sample of 10 disbursements to determine that they were:		
a. Supported by an approved invoice or other documentation	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
 SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2017**

Agreed-Upon Procedures	Results	Recommendation
b. Charged to the applicable student activity account	The procedure was performed with the following exception: 1 out of the 10 transactions selected for testing did not identify a fund on the supporting documentation.	We recommend procedures be implemented to identify the specific student activity fund an expense relates to within the supporting documentation for each disbursement.
c. Appear to be related to the purpose for which the student activity fund was created	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
 SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2017**

Agreed-Upon Procedures	Results	Recommendation
Doherty Memorial High School		
1. Determine that the banking and accounting systems related to the Schools' student activity funds have been established in accordance with the Massachusetts Student Activity Law (Massachusetts General Law [MGL] Chapter 71, Section 47). Specifically, we will:		
a. Obtain from the Chief Financial and Operations Officer a list of Student Activity Checking Accounts maintained at the Schools and verify they have been authorized by the School Committee and said School Committee has authorized a maximum balance that may be on hand in such accounts through review of minutes and other documentation to be defined in our findings if applicable.	The procedure was performed without exception.	None.
b. Verify that student activity fund deposits are made to an interest bearing bank account (Student Activity Agency Account) maintained by the City Treasurer by obtaining a copy of three months bank statements for each of the schools.	The procedure was performed without exception.	None.
c. Verify that interest earned on the Agency Account is retained in a separate student activity fund and spent by direction of the School Committee by observing interest income postings to said separate account as maintained in the individual student activity funds detailed general ledger.	The procedure was performed without exception.	None.
d. Verify that deposits and/or transfers made to the Checking Account represented the initial funding of the Checking Account from the Agency Account or the reimbursement of expenses from the Agency Account through the City's warrant process by obtaining the applicable support for all deposits.	The procedure was performed without exception.	None.
e. Verify that the principal is bonded to secure the faithful performance of his/her duties in connection with such account by obtaining a copy of such bond.	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2017**

Agreed-Upon Procedures	Results	Recommendation
2. Obtain (from each Schools' Principal) and evaluate each of the student activity funds maintained at the Schools for the purpose of identifying any individual funds that fall outside the definition of student activity funds in accordance with the Massachusetts Student Activity Law and the Student Activity Accounts Guidelines for Massachusetts School Districts issued by the Massachusetts Association of	The procedures were performed with the following exceptions: We identified fund balances for the Classes of 2013, 2015 and 2016. Based on the MASBO's SAAG, funds related to graduated classes should be closed out.	The WPS has policies and procedures for graduated class balances, and many of the School's graduated class funds were closed out in fiscal year 2016. We recommend the School follow these policies and procedures related to all graduated class balances still outstanding.
3. Obtain and evaluate a sample of 6 student activity Checking Account reconciliation(s) for each School during the engagement period to determine the following:		
a. Reconciliations were signed and dated by the preparer and reviewer	The procedure was performed with the following exception: 1 out of the 6 Checking Account reconciliations selected was not signed by the preparer.	We recommend procedures be implemented to have the preparer sign all Checking Account reconciliations.
b. Reconciliations were completed no later than 30 days after month-end	Procedure performed with the following exception: 2 out of the 6 reconciliations selected for testing were not completed within 30 days of month end.	We recommend procedures be implemented to document the completion of all reconciliations no later than 30 days after month-end.
c. Outstanding checks identified on the reconciliations were supported by a detailed listing	Procedure performed with the following exception: 2 out of the 6 reconciliations selected for testing were not supported by a detailed listing of outstanding checks.	We recommend procedures be implemented to document a detailed listing of outstanding checks for all bank reconciliations.
4. Obtain and evaluate the June 30, 2017 student activity Checking and Agency Account reconciliations for each School and trace the balances per the bank reconciliations to the detailed balances of the individual student activity funds.	Procedure performed with the following exception: A formal reconciliation of bank reconciliation balances to the detailed balances of the individual student activity funds was not	We recommend procedures be implemented to reconcile bank reconciliation balances to the detailed balances of the individual student activity funds.
5. Select a sample of 10 receipts to determine that they were:		
a. Credited to the applicable student activity account	The procedure was performed with the following exception: 1 out of the 10 transactions selected for testing lacked supporting documentation.	We recommend procedures be implemented to ensure that supporting documentation and support are retained for all receipts.
b. Deposited to the applicable Agency Account	The procedure was performed without exception.	None.
6. Select a sample of 10 disbursements to determine that they were:		
a. Supported by an approved invoice or other documentation	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
 SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2017**

Agreed-Upon Procedures	Results	Recommendation
b. Charged to the applicable student activity account	The procedure was performed with the following exception: 2 out of the 10 transactions selected for testing did not identify a fund on the supporting documentation.	We recommend procedures be implemented to identify the specific student activity fund an expense relates to within the supporting documentation for each disbursement.
c. Appear to be related to the purpose for which the student activity fund was created	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
 SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2017**

Agreed-Upon Procedures	Results	Recommendation
Forest Grove Middle School		
1. Determine that the banking and accounting systems related to the Schools' student activity funds have been established in accordance with the Massachusetts Student Activity Law (Massachusetts General Law [MGL] Chapter 71, Section 47). Specifically, we will:		
a. Obtain from the Chief Financial and Operations Officer a list of Student Activity Checking Accounts maintained at the Schools and verify they have been authorized by the School Committee and said School Committee has authorized a maximum balance that may be on hand in such accounts through review of minutes and other documentation to be defined in our findings if applicable.	The procedure was performed without exception.	None.
b. Verify that student activity fund deposits are made to an interest bearing bank account (Student Activity Agency Account) maintained by the City Treasurer by obtaining a copy of three months bank statements for each of the schools.	The procedure was performed without exception.	None.
c. Verify that interest earned on the Agency Account is retained in a separate student activity fund and spent by direction of the School Committee by observing interest income postings to said separate account as maintained in the individual student activity funds detailed general ledger.	The procedure was performed without exception.	None.
d. Verify that deposits and/or transfers made to the Checking Account represented the initial funding of the Checking Account from the Agency Account or the reimbursement of expenses from the Agency Account through the City's warrant process by obtaining the applicable support for all deposits.	The procedure was performed without exception.	None.
e. Verify that the principal is bonded to secure the faithful performance of his/her duties in connection with such account by obtaining a copy of such bond.	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
 SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2017**

Agreed-Upon Procedures	Results	Recommendation
2. Obtain (from each Schools' Principal) and evaluate each of the student activity funds maintained at the Schools for the purpose of identifying any individual funds that fall outside the definition of student activity funds in accordance with the Massachusetts Student Activity Law and the Student Activity Accounts Guidelines for Massachusetts School Districts issued by the Massachusetts Association of School Business Officials.	The procedure was performed without exception.	None.
3. Obtain and evaluate a sample of 6 student activity Checking Account reconciliation(s) for each School during the engagement period to determine the following:		
a. Reconciliations were signed and dated by the preparer and reviewer	The procedure was performed with the following exception: 1 out of the 6 Checking Account reconciliations selected was not signed by the preparer.	We recommend procedures be implemented to have the preparer sign all Checking Account reconciliations.
b. Reconciliations were completed no later than 30 days after month-end	Procedure performed with the following exception: 1 out of the 6 reconciliations selected for testing was not completed within 30 days of month end.	We recommend procedures be implemented to document the completion of all reconciliations no later than 30 days after month-end.
c. Outstanding checks identified on the reconciliations were supported by a detailed listing	The procedure was performed without exception.	None.
4. Obtain and evaluate the June 30, 2017 student activity Checking and Agency Account reconciliations for each School and trace the balances per the bank reconciliations to the detailed balances of the individual student activity funds.	Procedure performed with the following exception: A formal reconciliation of bank reconciliation balances to the detailed balances of the individual student activity funds was not performed.	We recommend procedures be implemented to reconcile bank reconciliation balances to the detailed balances of the individual student activity funds.
5. Select a sample of 10 receipts to determine that they were:		
a. Credited to the applicable student activity account	The procedure was performed without exception.	None.
b. Deposited to the applicable Agency Account	The procedure was performed without exception.	None.
6. Select a sample of 10 disbursements to determine that they were:		
a. Supported by an approved invoice or other documentation	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
 SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2017**

Agreed-Upon Procedures	Results	Recommendation
b. Charged to the applicable student activity account	The procedure was performed with the following exception: 5 out of the 10 transactions selected for testing did not identify a fund on the supporting documentation.	We recommend procedures be implemented to identify the specific student activity fund an expense relates to within the supporting documentation for each disbursement.
c. Appear to be related to the purpose for which the student activity fund was created	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
 SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2017**

Agreed-Upon Procedures	Results	Recommendation
North High School		
1. Determine that the banking and accounting systems related to the Schools' student activity funds have been established in accordance with the Massachusetts Student Activity Law (Massachusetts General Law [MGL] Chapter 71, Section 47). Specifically, we will:		
a. Obtain from the Chief Financial and Operations Officer a list of Student Activity Checking Accounts maintained at the Schools and verify they have been authorized by the School Committee and said School Committee has authorized a maximum balance that may be on hand in such accounts through review of minutes and other documentation to be defined in our findings if applicable.	The procedure was performed without exception.	None.
b. Verify that student activity fund deposits are made to an interest bearing bank account (Student Activity Agency Account) maintained by the City Treasurer by obtaining a copy of three months bank statements for each of the schools.	The procedure was performed without exception.	None.
c. Verify that interest earned on the Agency Account is retained in a separate student activity fund and spent by direction of the School Committee by observing interest income postings to said separate account as maintained in the individual student activity funds detailed general ledger.	The procedure was performed without exception.	None.
d. Verify that deposits and/or transfers made to the Checking Account represented the initial funding of the Checking Account from the Agency Account or the reimbursement of expenses from the Agency Account through the City's warrant process by obtaining the applicable support for all deposits.	The procedure was performed without exception.	None.
e. Verify that the principal is bonded to secure the faithful performance of his/her duties in connection with such account by obtaining a copy of such bond.	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2017**

Agreed-Upon Procedures	Results	Recommendation
2. Obtain (from each Schools' Principal) and evaluate each of the student activity funds maintained at the Schools for the purpose of identifying any individual funds that fall outside the definition of student activity funds in accordance with the Massachusetts Student Activity Law and the Student Activity Accounts Guidelines for Massachusetts School Districts issued by the Massachusetts Association of	The procedures were performed with the following exceptions: We identified fund balances for the Class of 2016. Based on the MASBO's SAAG, funds related to graduated classes should be closed out.	The WPS has policies and procedures for graduated class balances, and many of the School's graduated class funds were closed out in fiscal year 2016. We recommend the School follow these policies and procedures related to all graduated class balances still outstanding.
3. Obtain and evaluate a sample of 6 student activity Checking Account reconciliation(s) for each School during the engagement period to determine the following:		
a. Reconciliations were signed and dated by the preparer and reviewer	The procedure was performed with the following exceptions: 1 out of the 6 Checking Account reconciliations selected were not signed by the preparer. None of the reconciliations were dated.	We recommend procedures be implemented to have the preparer and reviewer sign and date all Checking Account reconciliations.
b. Reconciliations were completed no later than 30 days after month-end	Due to the fact that none of the reconciliations were dated, we could not determine if the reconciliations were completed no later than 30 days after month end.	See recommendation in step 3.a. above
c. Outstanding checks identified on the reconciliations were supported by a detailed listing	The procedure was performed without exception.	None.
4. Obtain and evaluate the June 30, 2017 student activity Checking and Agency Account reconciliations for each School and trace the balances per the bank reconciliations to the detailed balances of the individual student activity funds.	Procedure performed with the following exception: A formal reconciliation of bank reconciliation balances to the detailed balances of the individual student activity funds was not	We recommend procedures be implemented to reconcile bank reconciliation balances to the detailed balances of the individual student activity funds.
5. Select a sample of 10 receipts to determine that they were:		
a. Credited to the applicable student activity account	The procedure was performed without exception.	None.
b. Deposited to the applicable Agency Account	The procedure was performed without exception.	None.
6. Select a sample of 10 disbursements to determine that they were:		
a. Supported by an approved invoice or other documentation	The procedure was performed without exception.	None.
b. Charged to the applicable student activity account	The procedure was performed with the following exception: 1 out of the 10 transactions selected for testing did not identify a fund on the supporting documentation.	We recommend procedures be implemented to identify the specific student activity fund an expense relates to within the supporting documentation for each disbursement.

**CITY OF WORCESTER MASSACHUSETTS
SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2017**

Agreed-Upon Procedures	Results	Recommendation
c. Appear to be related to the purpose for which the student activity fund was created	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
 SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2017**

Agreed-Upon Procedures	Results	Recommendation
South High School		
1. Determine that the banking and accounting systems related to the Schools' student activity funds have been established in accordance with the Massachusetts Student Activity Law (Massachusetts General Law [MGL] Chapter 71, Section 47). Specifically, we will:		
a. Obtain from the Chief Financial and Operations Officer a list of Student Activity Checking Accounts maintained at the Schools and verify they have been authorized by the School Committee and said School Committee has authorized a maximum balance that may be on hand in such accounts through review of minutes and other documentation to be defined in our findings if applicable.	The procedure was performed without exception.	None.
b. Verify that student activity fund deposits are made to an interest bearing bank account (Student Activity Agency Account) maintained by the City Treasurer by obtaining a copy of three months bank statements for each of the schools.	The procedure was performed without exception.	None.
c. Verify that interest earned on the Agency Account is retained in a separate student activity fund and spent by direction of the School Committee by observing interest income postings to said separate account as maintained in the individual student activity funds detailed general ledger.	The procedure was performed without exception.	None.
d. Verify that deposits and/or transfers made to the Checking Account represented the initial funding of the Checking Account from the Agency Account or the reimbursement of expenses from the Agency Account through the City's warrant process by obtaining the applicable support for all deposits.	The procedure was performed without exception.	None.
e. Verify that the principal is bonded to secure the faithful performance of his/her duties in connection with such account by obtaining a copy of such bond.	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2017**

Agreed-Upon Procedures	Results	Recommendation
2. Obtain (from each Schools' Principal) and evaluate each of the student activity funds maintained at the Schools for the purpose of identifying any individual funds that fall outside the definition of student activity funds in accordance with the Massachusetts Student Activity Law and the Student Activity Accounts Guidelines for Massachusetts School Districts issued by the Massachusetts Association of School Business Officials.	The procedure was performed without exception.	None.
3. Obtain and evaluate a sample of 6 student activity Checking Account reconciliation(s) for each School during the engagement period to determine the following:		
a. Reconciliations were signed and dated by the preparer and reviewer	The procedure was performed with the following exception: None of the reconciliations were dated.	We recommend procedures be implemented to have the preparer and reviewer date all Checking Account reconciliations.
b. Reconciliations were completed no later than 30 days after month-end	Due to the fact that none of the reconciliations were dated by the preparer, we could not determine if the reconciliations were completed no later than 30 days after month end.	See recommendation in step 3.a. above.
c. Outstanding checks identified on the reconciliations were supported by a detailed listing	The procedure was performed without exception.	None.
4. Obtain and evaluate the June 30, 2017 student activity Checking and Agency Account reconciliations for each School and trace the balances per the bank reconciliations to the detailed balances of the individual student activity funds.	Procedure performed with the following exception: A formal reconciliation of bank reconciliation balances to the detailed balances of the individual student activity funds was not performed.	We recommend procedures be implemented to reconcile bank reconciliation balances to the detailed balances of the individual student activity funds.
5. Select a sample of 10 receipts to determine that they were:		
a. Credited to the applicable student activity account	The procedure was performed without exception.	None.
b. Deposited to the applicable Agency Account	The procedure was performed without exception.	None.
6. Select a sample of 10 disbursements to determine that they were:		
a. Supported by an approved invoice or other documentation	The procedure was performed without exception.	None.
b. Charged to the applicable student activity account	The procedure was performed without exception.	None.
c. Appear to be related to the purpose for which the student activity fund was created	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
 SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2017**

Agreed-Upon Procedures	Results	Recommendation
Sullivan Middle School		
1. Determine that the banking and accounting systems related to the Schools' student activity funds have been established in accordance with the Massachusetts Student Activity Law (Massachusetts General Law [MGL] Chapter 71, Section 47). Specifically, we will:		
a. Obtain from the Chief Financial and Operations Officer a list of Student Activity Checking Accounts maintained at the Schools and verify they have been authorized by the School Committee and said School Committee has authorized a maximum balance that may be on hand in such accounts through review of minutes and other documentation to be defined in our findings if applicable.	The procedure was performed without exception.	None.
b. Verify that student activity fund deposits are made to an interest bearing bank account (Student Activity Agency Account) maintained by the City Treasurer by obtaining a copy of three months bank statements for each of the schools.	The procedure was performed without exception.	None.
c. Verify that interest earned on the Agency Account is retained in a separate student activity fund and spent by direction of the School Committee by observing interest income postings to said separate account as maintained in the individual student activity funds detailed general ledger.	The procedure was performed without exception.	None.
d. Verify that deposits and/or transfers made to the Checking Account represented the initial funding of the Checking Account from the Agency Account or the reimbursement of expenses from the Agency Account through the City's warrant process by obtaining the applicable support for all deposits.	The procedure was performed without exception.	None.
e. Verify that the principal is bonded to secure the faithful performance of his/her duties in connection with such account by obtaining a copy of such bond.	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2017**

Agreed-Upon Procedures	Results	Recommendation
2. Obtain (from each Schools' Principal) and evaluate each of the student activity funds maintained at the Schools for the purpose of identifying any individual funds that fall outside the definition of student activity funds in accordance with the Massachusetts Student Activity Law and the Student Activity Accounts Guidelines for Massachusetts School Districts issued by the Massachusetts Association of School Business Officials.	The procedure was performed without exception.	None.
3. Obtain and evaluate a sample of 6 student activity Checking Account reconciliation(s) for each School during the engagement period to determine the following:		
a. Reconciliations were signed and dated by the preparer and reviewer	The procedure was performed with the following exception: 2 out of the 6 Checking Account reconciliations selected were not dated by the preparer. 4 out of the 6 Checking Account reconciliations were not dated by the reviewer.	We recommend procedures be implemented to have the preparer and reviewer date all Checking Account reconciliations.
b. Reconciliations were completed no later than 30 days after month-end	Procedure performed with the following exception: 2 out of the 6 reconciliations selected for testing was not completed within 30 days of month end.	We recommend procedures be implemented to document the completion of all reconciliations no later than 30 days after month-end.
c. Outstanding checks identified on the reconciliations were supported by a detailed listing	The procedure was performed without exception.	None.
4. Obtain and evaluate the June 30, 2017 student activity Checking and Agency Account reconciliations for each School and trace the balances per the bank reconciliations to the detailed balances of the individual student activity funds.	Procedure performed with the following exception: A formal reconciliation of bank reconciliation balances to the detailed balances of the individual student activity funds was not performed.	We recommend procedures be implemented to reconcile bank reconciliation balances to the detailed balances of the individual student activity funds.
5. Select a sample of 10 receipts to determine that they were:		
a. Credited to the applicable student activity account	The procedure was performed without exception.	None.
b. Deposited to the applicable Agency Account	The procedure was performed without exception.	None.
6. Select a sample of 10 disbursements to determine that they were:		
a. Supported by an approved invoice or other documentation	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
 SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2017**

Agreed-Upon Procedures	Results	Recommendation
b. Charged to the applicable student activity account	The procedure was performed with the following exception: 2 out of the 10 transactions selected for testing did not identify a fund on the supporting documentation.	We recommend procedures be implemented to identify the specific student activity fund an expense relates to within the supporting documentation for each disbursement.
c. Appear to be related to the purpose for which the student activity fund was created	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
 SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2017**

Agreed-Upon Procedures	Results	Recommendation
University Park Campus		
1. Determine that the banking and accounting systems related to the Schools' student activity funds have been established in accordance with the Massachusetts Student Activity Law (Massachusetts General Law [MGL] Chapter 71, Section 47). Specifically, we will:		
a. Obtain from the Chief Financial and Operations Officer a list of Student Activity Checking Accounts maintained at the Schools and verify they have been authorized by the School Committee and said School Committee has authorized a maximum balance that may be on hand in such accounts through review of minutes and other documentation to be defined in our findings if applicable.	The procedure was performed without exception.	None.
b. Verify that student activity fund deposits are made to an interest bearing bank account (Student Activity Agency Account) maintained by the City Treasurer by obtaining a copy of three months bank statements for each of the schools.	The procedure was performed without exception.	None.
c. Verify that interest earned on the Agency Account is retained in a separate student activity fund and spent by direction of the School Committee by observing interest income postings to said separate account as maintained in the individual student activity funds detailed general ledger.	The procedure was performed without exception.	None.
d. Verify that deposits and/or transfers made to the Checking Account represented the initial funding of the Checking Account from the Agency Account or the reimbursement of expenses from the Agency Account through the City's warrant process by obtaining the applicable support for all deposits.	The procedure was performed without exception.	None.
e. Verify that the principal is bonded to secure the faithful performance of his/her duties in connection with such account by obtaining a copy of such bond.	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2017**

Agreed-Upon Procedures	Results	Recommendation
2. Obtain (from each Schools' Principal) and evaluate each of the student activity funds maintained at the Schools for the purpose of identifying any individual funds that fall outside the definition of student activity funds in accordance with the Massachusetts Student Activity Law and the Student Activity Accounts Guidelines for Massachusetts School Districts issued by the Massachusetts Association of School Business Officials.	The procedure was performed without exception.	None.
3. Obtain and evaluate a sample of 6 student activity Checking Account reconciliation(s) for each School during the engagement period to determine the following:		
a. Reconciliations were signed and dated by the preparer and reviewer	The procedure was performed without exception.	None.
b. Reconciliations were completed no later than 30 days after month-end	Procedure performed with the following exception: 4 out of the 6 reconciliations selected for testing were not completed within 30 days of month end.	We recommend procedures be implemented to document the completion of all reconciliations no later than 30 days after month-end.
c. Outstanding checks identified on the reconciliations were supported by a detailed listing	The procedure was performed without exception.	None.
4. Obtain and evaluate the June 30, 2017 student activity Checking and Agency Account reconciliations for each School and trace the balances per the bank reconciliations to the detailed balances of the individual student activity funds.	Procedure performed with the following exception: A formal reconciliation of bank reconciliation balances to the detailed balances of the individual student activity funds was not performed.	We recommend procedures be implemented to reconcile bank reconciliation balances to the detailed balances of the individual student activity funds.
5. Select a sample of 10 receipts to determine that they were:		
a. Credited to the applicable student activity account	The procedure was performed with the following exception: 3 out of the 3 transactions selected for testing did not identify a fund on the supporting documentation.	We recommend procedures be implemented to identify the specific student activity fund a receipt relates to within the supporting documentation for each receipt.
b. Deposited to the applicable Agency Account	The procedure was performed without exception.	None.
6. Select a sample of 10 disbursements to determine that they were:		
a. Supported by an approved invoice or other documentation	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
 SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2017**

Agreed-Upon Procedures	Results	Recommendation
b. Charged to the applicable student activity account	The procedure was performed with the following exception: 3 out of the 3 transactions selected for testing did not identify the proper fund on the supporting documentation.	We recommend procedures be implemented to identify the accurate and specific student activity fund an expense relates to within the supporting documentation for each disbursement.
c. Appear to be related to the purpose for which the student activity fund was created	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2017**

Agreed-Upon Procedures	Results	Recommendation
Worcester East Middle School		
1. Determine that the banking and accounting		
a. Obtain from the Chief Financial and Operations Officer a list of Student Activity Checking Accounts maintained at the Schools and verify they have been authorized by the School Committee and said School Committee has authorized a maximum balance that may be on hand in such accounts through review of minutes and other documentation to be defined in our findings if applicable.	The procedure was performed without exception.	None.
b. Verify that student activity fund deposits are made to an interest bearing bank account (Student Activity Agency Account) maintained by the City Treasurer by obtaining a copy of three months bank statements for each of the schools.	The procedure was performed without exception.	None.
c. Verify that interest earned on the Agency Account is retained in a separate student activity fund and spent by direction of the School Committee by observing interest income postings to said separate account as maintained in the individual student activity funds detailed general ledger.	The procedure was performed without exception.	None.
d. Verify that deposits and/or transfers made to the Checking Account represented the initial funding of the Checking Account from the Agency Account or the reimbursement of expenses from the Agency Account through the City's warrant process by obtaining the applicable support for all deposits.	The procedure was performed without exception.	None.
e. Verify that the principal is bonded to secure the faithful performance of his/her duties in connection with such account by obtaining a copy of such bond.	The procedure was performed without exception.	None.
2. Obtain (from each Schools' Principal) and evaluate each of the student activity funds maintained at the Schools for the purpose of identifying any individual funds that fall outside the definition of student activity funds in accordance with the Massachusetts Student Activity Law and the Student Activity Accounts Guidelines for Massachusetts School Districts issued by the Massachusetts Association of School Business Officials.	The procedures were performed with the following exception: We identified a fund ("Mural") that was funded by a grant. Based on the MASBO's SAAG, grant funds should not be recorded to student activity funds.	We recommend policies and procedures be implemented to exclude grants from student activity funds.
3. Obtain and evaluate a sample of 6 student activity		
a. Reconciliations were signed and dated by the preparer and reviewer	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
 SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2017**

Agreed-Up Procedures	Results	Recommendation
b. Reconciliations were completed no later than 30 days after month-end	The procedure was performed with the following exception: 5 out of the 6 reconciliations selected for testing were not completed within 30 days after month end.	We recommend procedures be implemented to document the completion of all reconciliations no later than 30 days after month-end.
c. Outstanding checks identified on the reconciliations were supported by a detailed listing	The procedure was performed without exception.	None.
4. Obtain and evaluate the June 30, 2017 student activity Checking and Agency Account reconciliations for each School and trace the balances per the bank reconciliations to the detailed balances of the individual student activity funds.	Procedure performed with the following exception: A formal reconciliation of bank reconciliation balances to the detailed balances of the individual student activity funds was not performed.	We recommend procedures be implemented to reconcile bank reconciliation balances to the detailed balances of the individual student activity funds.
5. Select a sample of 10 receipts to determine that		
a. Credited to the applicable student activity account	The procedure was performed without exception.	None.
b. Deposited to the applicable Agency Account	The procedure was performed without exception.	None.
6. Select a sample of 10 disbursements to determine		
a. Supported by an approved invoice or other documentation	The procedure was performed without exception.	None.
b. Charged to the applicable student activity account	The procedure was performed with the following exception: 2 out of the 10 transactions selected for testing did not identify a fund on the supporting documentation.	We recommend procedures be implemented to identify the specific student activity fund an expense relates to within the supporting documentation for each disbursement.
c. Appear to be related to the purpose for which the student activity fund was created	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
 SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2017**

Agreed-Upon Procedures	Results	Recommendation
Worcester Technical High School		
1. Determine that the banking and accounting systems related to the Schools' student activity funds have been established in accordance with the Massachusetts Student Activity Law (Massachusetts General Law [MGL] Chapter 71, Section 47). Specifically, we will:		
a. Obtain from the Chief Financial and Operations Officer a list of Student Activity Checking Accounts maintained at the Schools and verify they have been authorized by the School Committee and said School Committee has authorized a maximum balance that may be on hand in such accounts through review of minutes and other documentation to be defined in our findings if applicable.	The procedure was performed without exception.	None.
b. Verify that student activity fund deposits are made to an interest bearing bank account (Student Activity Agency Account) maintained by the City Treasurer by obtaining a copy of three months bank statements for each of the schools.	The procedure was performed without exception.	None.
c. Verify that interest earned on the Agency Account is retained in a separate student activity fund and spent by direction of the School Committee by observing interest income postings to said separate account as maintained in the individual student activity funds detailed general ledger.	The procedure was performed without exception.	None.
d. Verify that deposits and/or transfers made to the Checking Account represented the initial funding of the Checking Account from the Agency Account or the reimbursement of expenses from the Agency Account through the City's warrant process by obtaining the applicable support for all deposits.	The procedure was performed without exception.	None.
e. Verify that the principal is bonded to secure the faithful performance of his/her duties in connection with such account by obtaining a copy of such bond.	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2017**

Agreed-Upon Procedures	Results	Recommendation
2. Obtain (from each Schools' Principal) and evaluate each of the student activity funds maintained at the Schools for the purpose of identifying any individual funds that fall outside the definition of student activity funds in accordance with the Massachusetts Student Activity Law and the Student Activity Accounts Guidelines for Massachusetts School Districts issued by the Massachusetts Association of School Business Officials.	The procedure was performed without exception.	None.
3. Obtain and evaluate a sample of 6 student activity Checking Account reconciliation(s) for each School during the engagement period to determine the following:		
a. Reconciliations were signed and dated by the preparer and reviewer	The procedure was performed without exception.	None.
b. Reconciliations were completed no later than 30 days after month-end	The procedure was performed without exception.	None.
c. Outstanding checks identified on the reconciliations were supported by a detailed listing	The procedure was performed without exception.	None.
4. Obtain and evaluate the June 30, 2017 student activity Checking and Agency Account reconciliations for each School and trace the balances per the bank reconciliations to the detailed balances of the individual student activity funds.	Procedure performed with the following exception: A formal reconciliation of bank reconciliation balances to the detailed balances of the individual student activity funds was not performed.	We recommend procedures be implemented to reconcile bank reconciliation balances to the detailed balances of the individual student activity funds.
5. Select a sample of 10 receipts to determine that they were:		
a. Credited to the applicable student activity account	The procedure was performed without exception.	None.
b. Deposited to the applicable Agency Account	The procedure was performed without exception.	None.
6. Select a sample of 10 disbursements to determine that they were:		
a. Supported by an approved invoice or other documentation	The procedure was performed without exception.	None.
b. Charged to the applicable student activity account	The procedure was performed without exception.	None.
c. Appear to be related to the purpose for which the student activity fund was created	The procedure was performed without exception.	None.

CITY OF WORCESTER, MASSACHUSETTS
REPORT ON APPLYING AGREED-UPON PROCEDURES
STUDENT ACTIVITY FUND TESTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

CITY OF WORCESTER, MASSACHUSETTS
REPORT ON APPLYING AGREED-UPON PROCEDURES
STUDENT ACTIVITY FUND TESTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Honorable School Committee
Worcester Public Schools
City of Worcester, Massachusetts

We have performed the procedures, as listed in the attached Schedule of Student Activity Funds Testing Results and Recommendations, which were agreed to by the Worcester Public Schools (WPS, the specified party), on the administration of WPS' student activity funds in accordance with the Massachusetts Student Activity Law (Massachusetts General Law (MGL) Chapter 71, Section 47) for the period July 1, 2017 through June 30, 2018. The WPS' management is responsible for the administration of its student activity funds in accordance with the Massachusetts Student Activity Law. The sufficiency of these procedures is solely the responsibility of the parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated in the attached Schedule of Student Activity Funds Testing Results and Recommendations either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are identified in the attached Schedule of Student Activity Funds Testing Results and Recommendations.

This agreed-upon procedures engagement was conducted 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 the WPS' administration of its student activity funds in accordance with the Massachusetts Student Activity Law. 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.

This report is intended solely for the information and use of the WPS and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Boston, Massachusetts
July 21, 2019

**CITY OF WORCESTER MASSACHUSETTS
 SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

Agreed-Upon Procedures	Results	Recommendation
Burncoat Middle School		
1. Determine that the banking and accounting systems related to the Schools' student activity funds have been established in accordance with the Massachusetts Student Activity Law (Massachusetts General Law [MGL] Chapter 71, Section 47). Specifically, we will:		
a. Obtain from the Chief Financial and Operations Officer a list of Student Activity Checking Accounts maintained at the Schools and verify they have been authorized by the School Committee and said School Committee has authorized a maximum balance that may be on hand in such accounts through review of minutes and other documentation to be defined in our findings if applicable.	The procedure was performed without exception.	None.
b. Verify that student activity fund deposits are made to an interest bearing bank account (Student Activity Agency Account) maintained by the City Treasurer by obtaining a copy of three months bank statements for each of the schools.	The procedure was performed without exception.	None.
c. Verify that interest earned on the Agency Account is retained in a separate student activity fund and spent by direction of the School Committee by observing interest income postings to said separate account as maintained in the individual student activity funds detailed general ledger.	The procedure was performed without exception.	None.
d. Verify that deposits and/or transfers made to the Checking Account represented the initial funding of the Checking Account from the Agency Account or the reimbursement of expenses from the Agency Account through the City's warrant process by obtaining the applicable support for all deposits.	The procedure was performed without exception.	None.
e. Verify that the principal is bonded to secure the faithful performance of his/her duties in connection with such account by obtaining a copy of such bond.	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

Agreed-Upon Procedures	Results	Recommendation
2. Obtain (from each Schools' Principal) and evaluate each of the student activity funds maintained at the Schools for the purpose of identifying any individual funds that fall outside the definition of student activity funds in accordance with the Massachusetts Student Activity Law and the Student Activity Accounts Guidelines for Massachusetts School Districts issued by the Massachusetts Association of School Business Officials.	The procedure was performed without exception.	None.
3. Obtain and evaluate a sample of 6 student activity Checking Account reconciliation(s) for each School during the engagement period to determine the following:		
a. Reconciliations were signed and dated by the preparer and reviewer	The procedure was performed without exception.	None.
b. Reconciliations were completed no later than 30 days after month-end	The procedure was performed without exception.	None.
c. Outstanding checks identified on the reconciliations were supported by a detailed listing	The procedure was performed without exception.	None.
4. Obtain and evaluate the June 30, 2018 student activity Checking and Agency Account reconciliations for each School and trace the balances per the bank reconciliations to the detailed balances of the individual student activity funds.	Procedure performed with the following exception: A formal reconciliation of bank reconciliation balances to the detailed balances of the individual student activity funds was not	We recommend procedures be implemented to reconcile bank reconciliation balances to the detailed balances of the individual student activity funds.
5. Select a sample of 10 receipts to determine that they were:		
a. Credited to the applicable student activity account	The procedure was performed with the following exception: 1 out of the 10 transactions selected for testing was not supported by documentation.	We recommend procedures be implemented to maintain documentation supporting receipts recorded to student activity accounts.
b. Deposited to the applicable Agency Account	The procedure was performed without exception.	None.
6. Select a sample of 10 disbursements to determine that they were:		
a. Supported by an approved invoice or other documentation	The procedure was performed without exception.	None.
b. Charged to the applicable student activity account	The procedure was performed with the following exception: 3 out of the 10 transactions selected for testing did not identify a fund on the supporting documentation.	We recommend procedures be implemented to identify the specific student activity fund an expense relates to within the supporting documentation for each disbursement.

**CITY OF WORCESTER MASSACHUSETTS
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FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

Agreed-Upon Procedures	Results	Recommendation
c. Appear to be related to the purpose for which the student activity fund was created	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
 SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

Agreed-Upon Procedures	Results	Recommendation
Burncoat High School		
1. Determine that the banking and accounting systems related to the Schools' student activity funds have been established in accordance with the Massachusetts Student Activity Law (Massachusetts General Law [MGL] Chapter 71, Section 47). Specifically, we will:		
a. Obtain from the Chief Financial and Operations Officer a list of Student Activity Checking Accounts maintained at the Schools and verify they have been authorized by the School Committee and said School Committee has authorized a maximum balance that may be on hand in such accounts through review of minutes and other documentation to be defined in our findings if applicable.	The procedure was performed without exception.	None.
b. Verify that student activity fund deposits are made to an interest bearing bank account (Student Activity Agency Account) maintained by the City Treasurer by obtaining a copy of three months bank statements for each of the schools.	The procedure was performed without exception.	None.
c. Verify that interest earned on the Agency Account is retained in a separate student activity fund and spent by direction of the School Committee by observing interest income postings to said separate account as maintained in the individual student activity funds detailed general ledger.	The procedure was performed without exception.	None.
d. Verify that deposits and/or transfers made to the Checking Account represented the initial funding of the Checking Account from the Agency Account or the reimbursement of expenses from the Agency Account through the City's warrant process by obtaining the applicable support for all deposits.	The procedure was performed without exception.	None.
e. Verify that the principal is bonded to secure the faithful performance of his/her duties in connection with such account by obtaining a copy of such bond.	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
 SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

Agreed-Upon Procedures	Results	Recommendation
2. Obtain (from each Schools' Principal) and evaluate each of the student activity funds maintained at the Schools for the purpose of identifying any individual funds that fall outside the definition of student activity funds in accordance with the Massachusetts Student Activity Law and the Student Activity Accounts Guidelines for Massachusetts School Districts issued by the Massachusetts Association of School Business Officials.	The procedure was performed without exception.	None.
3. Obtain and evaluate a sample of 6 student activity Checking Account reconciliation(s) for each School during the engagement period to determine the following:		
a. Reconciliations were signed and dated by the preparer and reviewer	The procedure was performed without exception.	None.
b. Reconciliations were completed no later than 30 days after month-end	The procedure was performed without exception.	None.
c. Outstanding checks identified on the reconciliations were supported by a detailed listing	The procedure was performed without exception.	None.
4. Obtain and evaluate the June 30, 2018 student activity Checking and Agency Account reconciliations for each School and trace the balances per the bank reconciliations to the detailed balances of the individual student activity funds.	Procedure performed with the following exception: A formal reconciliation of bank reconciliation balances to the detailed balances of the individual student activity funds was not performed.	We recommend procedures be implemented to reconcile bank reconciliation balances to the detailed balances of the individual student activity funds.
5. Select a sample of 10 receipts to determine that they were:		
a. Credited to the applicable student activity account	The procedure was performed without exception.	None.
b. Deposited to the applicable Agency Account	The procedure was performed without exception.	None.
6. Select a sample of 10 disbursements to determine that they were:		
a. Supported by an approved invoice or other documentation	The procedure was performed without exception.	None.
b. Charged to the applicable student activity account	The procedure was performed with the following exception: 1 out of the 10 transactions selected for testing did not identify a fund on the supporting documentation.	We recommend procedures be implemented to identify the specific student activity fund an expense relates to within the supporting documentation for each disbursement.
c. Appear to be related to the purpose for which the student activity fund was created	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
 SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

Agreed-Upon Procedures	Results	Recommendation
Claremont Academy		
1. Determine that the banking and accounting systems related to the Schools' student activity funds have been established in accordance with the Massachusetts Student Activity Law (Massachusetts General Law [MGL] Chapter 71, Section 47). Specifically, we will:		
a. Obtain from the Chief Financial and Operations Officer a list of Student Activity Checking Accounts maintained at the Schools and verify they have been authorized by the School Committee and said School Committee has authorized a maximum balance that may be on hand in such accounts through review of minutes and other documentation to be defined in our findings if applicable.	The procedure was performed without exception.	None.
b. Verify that student activity fund deposits are made to an interest bearing bank account (Student Activity Agency Account) maintained by the City Treasurer by obtaining a copy of three months bank statements for each of the schools.	The procedure was performed without exception.	None.
c. Verify that interest earned on the Agency Account is retained in a separate student activity fund and spent by direction of the School Committee by observing interest income postings to said separate account as maintained in the individual student activity funds detailed general ledger.	The procedure was performed with the following exception: A separate student activity fund for interest was maintained, but no amounts were recorded to the fund.	We recommend interest income be recorded to the separate fund for interest.
d. Verify that deposits and/or transfers made to the Checking Account represented the initial funding of the Checking Account from the Agency Account or the reimbursement of expenses from the Agency Account through the City's warrant process by obtaining the applicable support for all deposits.	The procedure was performed without exception.	None.
e. Verify that the principal is bonded to secure the faithful performance of his/her duties in connection with such account by obtaining a copy of such bond.	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

Agreed-Upon Procedures	Results	Recommendation
2. Obtain (from each Schools' Principal) and evaluate each of the student activity funds maintained at the Schools for the purpose of identifying any individual funds that fall outside the definition of student activity funds in accordance with the Massachusetts Student Activity Law and the Student Activity Accounts Guidelines for Massachusetts School Districts issued by the Massachusetts Association of School Business Officials.	The procedures were performed with the following exceptions: We identified fund balances for the Classes of 2016 and 2017. Based on the MASBO's SAAG, funds related to graduated classes should be closed out.	The WPS has policies and procedures for graduated class balances, and many of the School's graduated class funds were closed out in fiscal year 2016. We recommend the School follow these policies and procedures related to all graduated class balances still outstanding.
3. Obtain and evaluate a sample of 6 student activity Checking Account reconciliation(s) for each School during the engagement period to determine the following:		
a. Reconciliations were signed and dated by the preparer and reviewer	The procedure was performed without exception.	None.
b. Reconciliations were completed no later than 30 days after month-end	Procedure performed with the following exception: 1 out of the 6 reconciliations selected for testing was not completed within 30 days of month end.	We recommend procedures be implemented to document the completion of all reconciliations no later than 30 days after month-end.
c. Outstanding checks identified on the reconciliations were supported by a detailed listing	The procedure was performed without exception.	None.
4. Obtain and evaluate the June 30, 2018 student activity Checking and Agency Account reconciliations for each School and trace the balances per the bank reconciliations to the detailed balances of the individual student activity funds.	Procedure performed with the following exception: A formal reconciliation of bank reconciliation balances to the detailed balances of the individual student activity funds was not performed.	We recommend procedures be implemented to reconcile bank reconciliation balances to the detailed balances of the individual student activity funds.
5. Select a sample of 10 receipts to determine that they were:		
a. Credited to the applicable student activity account	The procedure was performed with the following exception: 1 out of the 10 transactions selected for testing lacked supporting documentation.	We recommend procedures be implemented to ensure that supporting documentation is retained for all receipts.
b. Deposited to the applicable Agency Account	The procedure was performed without exception.	None.
6. Select a sample of 10 disbursements to determine that they were:		
a. Supported by an approved invoice or other documentation	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
 SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

Agreed-Upon Procedures	Results	Recommendation
b. Charged to the applicable student activity account	The procedure was performed with the following exception: 2 out of the 10 transactions selected for testing did not identify a fund on the supporting documentation.	We recommend procedures be implemented to identify the specific student activity fund an expense relates to within the supporting documentation for each disbursement.
c. Appear to be related to the purpose for which the student activity fund was created	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
 SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

Agreed-Upon Procedures	Results	Recommendation
Doherty Memorial High School		
1. Determine that the banking and accounting systems related to the Schools' student activity funds have been established in accordance with the Massachusetts Student Activity Law (Massachusetts General Law [MGL] Chapter 71, Section 47). Specifically, we will:		
a. Obtain from the Chief Financial and Operations Officer a list of Student Activity Checking Accounts maintained at the Schools and verify they have been authorized by the School Committee and said School Committee has authorized a maximum balance that may be on hand in such accounts through review of minutes and other documentation to be defined in our findings if applicable.	The procedure was performed without exception.	None.
b. Verify that student activity fund deposits are made to an interest bearing bank account (Student Activity Agency Account) maintained by the City Treasurer by obtaining a copy of three months bank statements for each of the schools.	The procedure was performed without exception.	None.
c. Verify that interest earned on the Agency Account is retained in a separate student activity fund and spent by direction of the School Committee by observing interest income postings to said separate account as maintained in the individual student activity funds detailed general ledger.	The procedure was performed without exception.	None.
d. Verify that deposits and/or transfers made to the Checking Account represented the initial funding of the Checking Account from the Agency Account or the reimbursement of expenses from the Agency Account through the City's warrant process by obtaining the applicable support for all deposits.	The procedure was performed without exception.	None.
e. Verify that the principal is bonded to secure the faithful performance of his/her duties in connection with such account by obtaining a copy of such bond.	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

Agreed-Upon Procedures	Results	Recommendation
2. Obtain (from each Schools' Principal) and evaluate each of the student activity funds maintained at the Schools for the purpose of identifying any individual funds that fall outside the definition of student activity funds in accordance with the Massachusetts Student Activity Law and the Student Activity Accounts Guidelines for Massachusetts School Districts issued by the Massachusetts Association of School Business Officials.	The procedures were performed with the following exceptions: We identified fund balances for the Classes of 2013 and 2015. Based on the MASBO's SAAG, funds related to graduated classes should be closed out.	The WPS has policies and procedures for graduated class balances, and many of the School's graduated class funds were closed out in fiscal year 2016. We recommend the High School follow these policies and procedures related to all graduated class balances still outstanding.
3. Obtain and evaluate a sample of 6 student activity Checking Account reconciliation(s) for each School during the engagement period to determine the following:		
a. Reconciliations were signed and dated by the preparer and reviewer	The procedure was performed with the following exception: 6 out of the 6 Checking Account reconciliations selected were not signed by the preparer.	We recommend procedures be implemented to have the preparer sign all Checking Account reconciliations.
b. Reconciliations were completed no later than 30 days after month-end	The procedure was performed without exception.	None.
c. Outstanding checks identified on the reconciliations were supported by a detailed listing	The procedure was performed without exception.	None.
4. Obtain and evaluate the June 30, 2018 student activity Checking and Agency Account reconciliations for each School and trace the balances per the bank reconciliations to the detailed balances of the individual student activity funds.	Procedure performed with the following exception: A formal reconciliation of bank reconciliation balances to the detailed balances of the individual student activity funds was not performed.	We recommend procedures be implemented to reconcile bank reconciliation balances to the detailed balances of the individual student activity funds.
5. Select a sample of 10 receipts to determine that they were:		
a. Credited to the applicable student activity account	The procedure was performed with the following exception: 1 out of the 10 transactions selected for testing lacked supporting documentation.	We recommend procedures be implemented to ensure that supporting documentation is retained for all receipts.
b. Deposited to the applicable Agency Account	The procedure was performed without exception.	None.
6. Select a sample of 10 disbursements to determine that they were:		
a. Supported by an approved invoice or other documentation	The procedure was performed without exception.	None.
b. Charged to the applicable student activity account	The procedure was performed without exception.	None.
c. Appear to be related to the purpose for which the student activity fund was created	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
 SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

Agreed-Upon Procedures	Results	Recommendation
Forest Grove Middle School		
1. Determine that the banking and accounting systems related to the Schools' student activity funds have been established in accordance with the Massachusetts Student Activity Law (Massachusetts General Law [MGL] Chapter 71, Section 47). Specifically, we will:		
a. Obtain from the Chief Financial and Operations Officer a list of Student Activity Checking Accounts maintained at the Schools and verify they have been authorized by the School Committee and said School Committee has authorized a maximum balance that may be on hand in such accounts through review of minutes and other documentation to be defined in our findings if applicable.	The procedure was performed without exception.	None.
b. Verify that student activity fund deposits are made to an interest bearing bank account (Student Activity Agency Account) maintained by the City Treasurer by obtaining a copy of three months bank statements for each of the schools.	The procedure was performed without exception.	None.
c. Verify that interest earned on the Agency Account is retained in a separate student activity fund and spent by direction of the School Committee by observing interest income postings to said separate account as maintained in the individual student activity funds detailed general ledger.	The procedure was performed without exception.	None.
d. Verify that deposits and/or transfers made to the Checking Account represented the initial funding of the Checking Account from the Agency Account or the reimbursement of expenses from the Agency Account through the City's warrant process by obtaining the applicable support for all deposits.	The procedure was performed without exception.	None.
e. Verify that the principal is bonded to secure the faithful performance of his/her duties in connection with such account by obtaining a copy of such bond.	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
 SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

Agreed-Upon Procedures	Results	Recommendation
2. Obtain (from each Schools' Principal) and evaluate each of the student activity funds maintained at the Schools for the purpose of identifying any individual funds that fall outside the definition of student activity funds in accordance with the Massachusetts Student Activity Law and the Student Activity Accounts Guidelines for Massachusetts School Districts issued by the Massachusetts Association of School Business Officials.	The procedure was performed without exception.	None.
3. Obtain and evaluate a sample of 6 student activity Checking Account reconciliation(s) for each School during the engagement period to determine the following:		
a. Reconciliations were signed and dated by the preparer and reviewer	The procedure was performed without exception.	None.
b. Reconciliations were completed no later than 30 days after month-end	The procedure was performed without exception.	None.
c. Outstanding checks identified on the reconciliations were supported by a detailed listing	The procedure was performed without exception.	None.
4. Obtain and evaluate the June 30, 2018 student activity Checking and Agency Account reconciliations for each School and trace the balances per the bank reconciliations to the detailed balances of the individual student activity funds.	Procedure performed with the following exception: A formal reconciliation of bank reconciliation balances to the detailed balances of the individual student activity funds was not performed.	We recommend procedures be implemented to reconcile bank reconciliation balances to the detailed balances of the individual student activity funds.
5. Select a sample of 10 receipts to determine that they were:		
a. Credited to the applicable student activity account	Procedure performed with the following exception: 1 of 10 transactions selected for testing lacked supporting documentation.	We recommend procedures be implemented to ensure that supporting documentation is retained for all receipts.
b. Deposited to the applicable Agency Account	The procedure was performed without exception.	None.
6. Select a sample of 10 disbursements to determine that they were:		
a. Supported by an approved invoice or other documentation	Procedure performed with the following exception: 1 of 10 transactions selected for testing lacked supporting documentation.	We recommend procedures be implemented to ensure proper documentation is prepared for the support of student activity fund expenses.

**CITY OF WORCESTER MASSACHUSETTS
 SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

Agreed-Upon Procedures	Results	Recommendation
b. Charged to the applicable student activity account	<p>The procedure was performed with the following exception:</p> <p>2 out of the 10 transactions selected for testing did not identify a fund on the supporting documentation. Due to the fact that supporting documentation was not provided for 1 out of the 10 transactions, we could not determine if the expense was charged to the applicable student activity account.</p>	<p>We recommend procedures be implemented to identify the specific student activity fund an expense relates to within the supporting documentation for each disbursement. Also, see recommendation in step 6.a. above.</p>
c. Appear to be related to the purpose for which the student activity fund was created	<p>The procedure was performed with the following exception:</p> <p>Due to the fact that supporting documentation was not provided for 1 out of the 10 transactions, we could not determine if the expense was related to the purpose for which the student activity fund was created.</p>	<p>See recommendation in step 6.a. above.</p>

**CITY OF WORCESTER MASSACHUSETTS
SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

Agreed-Upon Procedures	Results	Recommendation
North High School		
1. Determine that the banking and accounting systems related to the Schools' student activity funds have been established in accordance with the Massachusetts Student Activity Law (Massachusetts General Law [MGL] Chapter 71, Section 47). Specifically, we will:		
a. Obtain from the Chief Financial and Operations Officer a list of Student Activity Checking Accounts maintained at the Schools and verify they have been authorized by the School Committee and said School Committee has authorized a maximum balance that may be on hand in such accounts through review of minutes and other documentation to be defined in our findings if applicable.	The procedure was performed without exception.	None.
b. Verify that student activity fund deposits are made to an interest bearing bank account (Student Activity Agency Account) maintained by the City Treasurer by obtaining a copy of three months bank statements for each of the schools.	The procedure was performed without exception.	None.
c. Verify that interest earned on the Agency Account is retained in a separate student activity fund and spent by direction of the School Committee by observing interest income postings to said separate account as maintained in the individual student activity funds detailed general ledger.	The procedure was performed without exception.	None.
d. Verify that deposits and/or transfers made to the Checking Account represented the initial funding of the Checking Account from the Agency Account or the reimbursement of expenses from the Agency Account through the City's warrant process by obtaining the applicable support for all deposits.	The procedure was performed without exception.	None.
e. Verify that the principal is bonded to secure the faithful performance of his/her duties in connection with such account by obtaining a copy of such bond.	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

Agreed-Upon Procedures	Results	Recommendation
2. Obtain (from each Schools' Principal) and evaluate each of the student activity funds maintained at the Schools for the purpose of identifying any individual funds that fall outside the definition of student activity funds in accordance with the Massachusetts Student Activity Law and the Student Activity Accounts Guidelines for Massachusetts School Districts issued by the Massachusetts Association of School Business Officials.	The procedures were performed with the following exceptions: We identified fund balances for the Classes of 2016 and 2017. Based on the MASBO's SAAG, funds related to graduated classes should be closed out.	The WPS has policies and procedures for graduated class balances, and many of the School's graduated class funds were closed out in fiscal year 2016. We recommend the School follow these policies and procedures related to all graduated class balances still outstanding.
3. Obtain and evaluate a sample of 6 student activity Checking Account reconciliation(s) for each School during the engagement period to determine the following:		
a. Reconciliations were signed and dated by the preparer and reviewer	The procedure was performed with the following exceptions: None of the reconciliations selected for testing were dated by the preparer or the reviewer.	We recommend procedures be implemented to have the preparer and reviewer date all Checking Account reconciliations.
b. Reconciliations were completed no later than 30 days after month-end	Due to the fact that none of the reconciliations were dated by the preparer, we could not determine if the reconciliations were completed no later than 30 days after month end.	We recommend procedures be implemented to ensure all checking account reconciliations are completed within 30 days after month end. Also, see recommendation in step 3.a. above
c. Outstanding checks identified on the reconciliations were supported by a detailed listing	The procedure was performed without exception.	None.
4. Obtain and evaluate the June 30, 2018 student activity Checking and Agency Account reconciliations for each School and trace the balances per the bank reconciliations to the detailed balances of the individual student activity funds.	Procedure performed with the following exception: A formal reconciliation of bank reconciliation balances to the detailed balances of the individual student activity funds was not	We recommend procedures be implemented to reconcile bank reconciliation balances to the detailed balances of the individual student activity funds.
5. Select a sample of 10 receipts to determine that they were:		
a. Credited to the applicable student activity account	The procedure was performed without exception.	None.
b. Deposited to the applicable Agency Account	The procedure was performed without exception.	None.
6. Select a sample of 10 disbursements to determine that they were:		
a. Supported by an approved invoice or other documentation	The procedure was performed without exception.	None.
b. Charged to the applicable student activity account	The procedure was performed without exception.	None.
c. Appear to be related to the purpose for which the student activity fund was created	The procedure was performed without exception.	None.

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SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

Agreed-Upon Procedures	Results	Recommendation
South High School		
1. Determine that the banking and accounting systems related to the Schools' student activity funds have been established in accordance with the Massachusetts Student Activity Law (Massachusetts General Law [MGL] Chapter 71, Section 47). Specifically, we will:		
a. Obtain from the Chief Financial and Operations Officer a list of Student Activity Checking Accounts maintained at the Schools and verify they have been authorized by the School Committee and said School Committee has authorized a maximum balance that may be on hand in such accounts through review of minutes and other documentation to be defined in our findings if applicable.	The procedure was performed without exception.	None.
b. Verify that student activity fund deposits are made to an interest bearing bank account (Student Activity Agency Account) maintained by the City Treasurer by obtaining a copy of three months bank statements for each of the schools.	The procedure was performed without exception.	None.
c. Verify that interest earned on the Agency Account is retained in a separate student activity fund and spent by direction of the School Committee by observing interest income postings to said separate account as maintained in the individual student activity funds detailed general ledger.	The procedure was performed without exception.	None.
d. Verify that deposits and/or transfers made to the Checking Account represented the initial funding of the Checking Account from the Agency Account or the reimbursement of expenses from the Agency Account through the City's warrant process by obtaining the applicable support for all deposits.	The procedure was performed without exception.	None.
e. Verify that the principal is bonded to secure the faithful performance of his/her duties in connection with such account by obtaining a copy of such bond.	The procedure was performed without exception.	None.
2. Obtain (from each Schools' Principal) and evaluate each of the student activity funds maintained at the	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
 SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

Agreed-Upon Procedures	Results	Recommendation
3. Obtain and evaluate a sample of 6 student activity Checking Account reconciliation(s) for each School during the engagement period to determine the following:		
a. Reconciliations were signed and dated by the preparer and reviewer	The procedure was performed with the following exceptions: None of the reconciliations selected for testing were dated by the preparer or the reviewer.	We recommend procedures be implemented to have the preparer and reviewer date all Checking Account reconciliations.
b. Reconciliations were completed no later than 30 days after month-end	Due to the fact that none of the reconciliations were dated by the preparer, we could not determine if the reconciliations were completed no later than 30 days after month end.	We recommend procedures be implemented to ensure all checking account reconciliations are completed within 30 days after month end. Also, see recommendation in step 3.a. above
c. Outstanding checks identified on the reconciliations were supported by a detailed listing	The procedure was performed without exception.	None.
4. Obtain and evaluate the June 30, 2018 student activity Checking and Agency Account reconciliations for each School and trace the balances per the bank reconciliations to the detailed balances of the individual student activity funds.	Procedure performed with the following exception: A formal reconciliation of bank reconciliation balances to the detailed balances of the individual student activity funds was not performed.	We recommend procedures be implemented to reconcile bank reconciliation balances to the detailed balances of the individual student activity funds.
5. Select a sample of 10 receipts to determine that they were:		
a. Credited to the applicable student activity account	The procedure was performed without exception.	None.
b. Deposited to the applicable Agency Account	The procedure was performed without exception.	None.
6. Select a sample of 10 disbursements to determine that they were:		
a. Supported by an approved invoice or other documentation	The procedure was performed without exception.	None.
b. Charged to the applicable student activity account	The procedure was performed with the following exception: 2 out of the 5 transactions selected for testing did not identify a fund on the supporting documentation.	We recommend procedures be implemented to identify the specific student activity fund an expense relates to within the supporting documentation for each disbursement.
c. Appear to be related to the purpose for which the student activity fund was created	The procedure was performed without exception.	None.

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 SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
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Agreed-Upon Procedures	Results	Recommendation
Sullivan Middle School		
1. Determine that the banking and accounting systems related to the Schools' student activity funds have been established in accordance with the Massachusetts Student Activity Law (Massachusetts General Law [MGL] Chapter 71, Section 47). Specifically, we will:		
a. Obtain from the Chief Financial and Operations Officer a list of Student Activity Checking Accounts maintained at the Schools and verify they have been authorized by the School Committee and said School Committee has authorized a maximum balance that may be on hand in such accounts through review of minutes and other documentation to be defined in our findings if applicable.	The procedure was performed without exception.	None.
b. Verify that student activity fund deposits are made to an interest bearing bank account (Student Activity Agency Account) maintained by the City Treasurer by obtaining a copy of three months bank statements for each of the schools.	The procedure was performed without exception.	None.
c. Verify that interest earned on the Agency Account is retained in a separate student activity fund and spent by direction of the School Committee by observing interest income postings to said separate account as maintained in the individual student activity funds detailed general ledger.	The procedure was performed without exception.	None.
d. Verify that deposits and/or transfers made to the Checking Account represented the initial funding of the Checking Account from the Agency Account or the reimbursement of expenses from the Agency Account through the City's warrant process by obtaining the applicable support for all deposits.	The procedure was performed without exception.	None.
e. Verify that the principal is bonded to secure the faithful performance of his/her duties in connection with such account by obtaining a copy of such bond.	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

Agreed-Upon Procedures	Results	Recommendation
2. Obtain (from each Schools' Principal) and evaluate each of the student activity funds maintained at the Schools for the purpose of identifying any individual funds that fall outside the definition of student activity funds in accordance with the Massachusetts Student Activity Law and the Student Activity Accounts Guidelines for Massachusetts School Districts issued by the Massachusetts Association of School Business Officials.	The procedure was performed without exception.	None.
3. Obtain and evaluate a sample of 6 student activity Checking Account reconciliation(s) for each School during the engagement period to determine the following:		
a. Reconciliations were signed and dated by the preparer and reviewer	The procedure was performed with the following exception: 1 out of the 6 Checking Account reconciliations selected was not dated by the preparer.	We recommend procedures be implemented to have the preparer date all Checking Account reconciliations.
b. Reconciliations were completed no later than 30 days after month-end	The procedure was performed without exception.	None.
c. Outstanding checks identified on the reconciliations were supported by a detailed listing	The procedure was performed without exception.	None.
4. Obtain and evaluate the June 30, 2018 student activity Checking and Agency Account reconciliations for each School and trace the balances per the bank reconciliations to the detailed balances of the individual student activity funds.	Procedure performed with the following exception: A formal reconciliation of bank reconciliation balances to the detailed balances of the individual student activity funds was not performed.	We recommend procedures be implemented to reconcile bank reconciliation balances to the detailed balances of the individual student activity funds.
5. Select a sample of 10 receipts to determine that they were:		
a. Credited to the applicable student activity account	The procedure was performed without exception.	None.
b. Deposited to the applicable Agency Account	The procedure was performed without exception.	None.
6. Select a sample of 10 disbursements to determine that they were:		
a. Supported by an approved invoice or other documentation	The procedure was performed without exception.	None.
b. Charged to the applicable student activity account	The procedure was performed with the following exception: 5 out of the 10 transactions selected for testing did not identify a fund on the supporting documentation.	We recommend procedures be implemented to identify the specific student activity fund an expense relates to within the supporting documentation for each disbursement.
c. Appear to be related to the purpose for which the student activity fund was created	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
 SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

Agreed-Upon Procedures	Results	Recommendation
University Park Campus		
1. Determine that the banking and accounting systems related to the Schools' student activity funds have been established in accordance with the Massachusetts Student Activity Law (Massachusetts General Law [MGL] Chapter 71, Section 47). Specifically, we will:		
a. Obtain from the Chief Financial and Operations Officer a list of Student Activity Checking Accounts maintained at the Schools and verify they have been authorized by the School Committee and said School Committee has authorized a maximum balance that may be on hand in such accounts through review of minutes and other documentation to be defined in our findings if applicable.	The procedure was performed without exception.	None.
b. Verify that student activity fund deposits are made to an interest bearing bank account (Student Activity Agency Account) maintained by the City Treasurer by obtaining a copy of three months bank statements for each of the schools.	The procedure was performed without exception.	None.
c. Verify that interest earned on the Agency Account is retained in a separate student activity fund and spent by direction of the School Committee by observing interest income postings to said separate account as maintained in the individual student activity funds detailed general ledger.	The procedure was performed without exception.	None.
d. Verify that deposits and/or transfers made to the Checking Account represented the initial funding of the Checking Account from the Agency Account or the reimbursement of expenses from the Agency Account through the City's warrant process by obtaining the applicable support for all deposits.	The procedure was performed without exception.	None.
e. Verify that the principal is bonded to secure the faithful performance of his/her duties in connection with such account by obtaining a copy of such bond.	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

Agreed-Upon Procedures	Results	Recommendation
2. Obtain (from each Schools' Principal) and evaluate each of the student activity funds maintained at the Schools for the purpose of identifying any individual funds that fall outside the definition of student activity funds in accordance with the Massachusetts Student Activity Law and the Student Activity Accounts Guidelines for Massachusetts School Districts issued by the Massachusetts Association of School Business Officials.	The procedure was performed without exception.	None.
3. Obtain and evaluate a sample of 6 student activity Checking Account reconciliation(s) for each School during the engagement period to determine the following:		
a. Reconciliations were signed and dated by the preparer and reviewer	The procedure was performed without exception.	None.
b. Reconciliations were completed no later than 30 days after month-end	The procedure was performed without exception.	None.
c. Outstanding checks identified on the reconciliations were supported by a detailed listing	The procedure was performed without exception.	None.
4. Obtain and evaluate the June 30, 2018 student activity Checking and Agency Account reconciliations for each School and trace the balances per the bank reconciliations to the detailed balances of the individual student activity funds.	Procedure performed with the following exception: A formal reconciliation of bank reconciliation balances to the detailed balances of the individual student activity funds was not performed.	We recommend procedures be implemented to reconcile bank reconciliation balances to the detailed balances of the individual student activity funds.
5. Select a sample of 10 receipts to determine that they were:		
a. Credited to the applicable student activity account	The procedure was performed without exception.	None.
b. Deposited to the applicable Agency Account	The procedure was performed without exception.	None.
6. Select a sample of 10 disbursements to determine that they were:		
a. Supported by an approved invoice or other documentation	The procedure was performed without exception.	None.
b. Charged to the applicable student activity account	The procedure was performed without exception.	None.
c. Appear to be related to the purpose for which the student activity fund was created	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
 SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

Agreed-Upon Procedures	Results	Recommendation
Worcester East Middle School		
1. Determine that the banking and accounting		
a. Obtain from the Chief Financial and Operations Officer a list of Student Activity Checking Accounts maintained at the Schools and verify they have been authorized by the School Committee and said School Committee has authorized a maximum balance that may be on hand in such accounts through review of minutes and other documentation to be defined in our findings if applicable.	The procedure was performed without exception.	None.
b. Verify that student activity fund deposits are made to an interest bearing bank account (Student Activity Agency Account) maintained by the City Treasurer by obtaining a copy of three months bank statements for each of the schools.	The procedure was performed without exception.	None.
c. Verify that interest earned on the Agency Account is retained in a separate student activity fund and spent by direction of the School Committee by observing interest income postings to said separate account as maintained in the individual student activity funds detailed general ledger.	The procedure was performed without exception.	None.
d. Verify that deposits and/or transfers made to the Checking Account represented the initial funding of the Checking Account from the Agency Account or the reimbursement of expenses from the Agency Account through the City's warrant process by obtaining the applicable support for all deposits.	The procedure was performed without exception.	None.
e. Verify that the principal is bonded to secure the faithful performance of his/her duties in connection with such account by obtaining a copy of such bond.	The procedure was performed without exception.	None.
2. Obtain (from each Schools' Principal) and evaluate each of the student activity funds maintained at the Schools for the purpose of identifying any individual funds that fall outside the definition of student activity funds in accordance with the Massachusetts Student Activity Law and the Student Activity Accounts Guidelines for Massachusetts School Districts issued by the Massachusetts Association of School Business Officials.	The procedures were performed with the following exception: We identified a fund ("Mural") that was funded by a grant. Based on the MASBO's SAAG, grant funds should not be recorded to student activity funds.	We recommend policies and procedures be implemented to exclude grants from student activity funds.
3. Obtain and evaluate a sample of 6 student activity		
a. Reconciliations were signed and dated by the preparer and reviewer	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
 SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

Agreed-Up Procedures	Results	Recommendation
b. Reconciliations were completed no later than 30 days after month-end	The procedure was performed with the following exception: 4 out of the 6 reconciliations selected for testing were not completed within 30 days after month end.	We recommend procedures be implemented to document the completion of all reconciliations within 30 days after month-end.
c. Outstanding checks identified on the reconciliations were supported by a detailed listing	The procedure was performed without exception.	None.
4. Obtain and evaluate the June 30, 2018 student activity Checking and Agency Account reconciliations for each School and trace the balances per the bank reconciliations to the detailed balances of the individual student activity funds.	Procedure performed with the following exception: A formal reconciliation of bank reconciliation balances to the detailed balances of the individual student activity funds was not performed.	We recommend procedures be implemented to reconcile bank reconciliation balances to the detailed balances of the individual student activity funds.
5. Select a sample of 10 receipts to determine that		
a. Credited to the applicable student activity account	The procedure was performed without exception.	None.
b. Deposited to the applicable Agency Account	The procedure was performed without exception.	None.
6. Select a sample of 10 disbursements to determine		
a. Supported by an approved invoice or other documentation	The procedure was performed without exception.	None.
b. Charged to the applicable student activity account	The procedure was performed with the following exception: 7 out of the 10 transactions selected for testing did not identify a fund on the supporting documentation.	We recommend procedures be implemented to identify the specific student activity fund an expense relates to within the supporting documentation for each disbursement.
c. Appear to be related to the purpose for which the student activity fund was created	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
 SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

Agreed-Upon Procedures	Results	Recommendation
Worcester Technical High School		
1. Determine that the banking and accounting systems related to the Schools' student activity funds have been established in accordance with the Massachusetts Student Activity Law (Massachusetts General Law [MGL] Chapter 71, Section 47). Specifically, we will:		
a. Obtain from the Chief Financial and Operations Officer a list of Student Activity Checking Accounts maintained at the Schools and verify they have been authorized by the School Committee and said School Committee has authorized a maximum balance that may be on hand in such accounts through review of minutes and other documentation to be defined in our findings if applicable.	The procedure was performed without exception.	None.
b. Verify that student activity fund deposits are made to an interest bearing bank account (Student Activity Agency Account) maintained by the City Treasurer by obtaining a copy of three months bank statements for each of the schools.	The procedure was performed without exception.	None.
c. Verify that interest earned on the Agency Account is retained in a separate student activity fund and spent by direction of the School Committee by observing interest income postings to said separate account as maintained in the individual student activity funds detailed general ledger.	The procedure was performed without exception.	None.
d. Verify that deposits and/or transfers made to the Checking Account represented the initial funding of the Checking Account from the Agency Account or the reimbursement of expenses from the Agency Account through the City's warrant process by obtaining the applicable support for all deposits.	The procedure was performed without exception.	None.
e. Verify that the principal is bonded to secure the faithful performance of his/her duties in connection with such account by obtaining a copy of such bond.	The procedure was performed without exception.	None.

**CITY OF WORCESTER MASSACHUSETTS
SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

Agreed-Upon Procedures	Results	Recommendation
2. Obtain (from each Schools' Principal) and evaluate each of the student activity funds maintained at the Schools for the purpose of identifying any individual funds that fall outside the definition of student activity funds in accordance with the Massachusetts Student Activity Law and the Student Activity Accounts Guidelines for Massachusetts School Districts issued by the Massachusetts Association of School Business Officials.	The procedures were performed with the following exceptions: We identified a fund balance for the Class of 2017. Based on the MASBO's SAAG, funds related to graduated classes should be closed out.	The WPS has policies and procedures for graduated class balances, and many of the School's graduated class funds were closed out in fiscal year 2016. We recommend the School follow these policies and procedures related to all graduated class balances still outstanding.
3. Obtain and evaluate a sample of 6 student activity Checking Account reconciliation(s) for each School during the engagement period to determine the following:		
a. Reconciliations were signed and dated by the preparer and reviewer	The procedure was performed with the following exception: 2 out of the 6 Checking Account reconciliations selected were not signed by the preparer and 1 out of the 6 were not signed by the reviewer.	We recommend procedures be implemented to have the preparer and reviewer sign all Checking Account reconciliations.
b. Reconciliations were completed no later than 30 days after month-end	The procedure was performed without exception.	None.
c. Outstanding checks identified on the reconciliations were supported by a detailed listing	The procedure was performed without exception.	None.
4. Obtain and evaluate the June 30, 2018 student activity Checking and Agency Account reconciliations for each School and trace the balances per the bank reconciliations to the detailed balances of the individual student activity funds.	Procedure performed with the following exception: A formal reconciliation of bank reconciliation balances to the detailed balances of the individual student activity funds was not performed.	We recommend procedures be implemented to reconcile bank reconciliation balances to the detailed balances of the individual student activity funds.
5. Select a sample of 10 receipts to determine that they were:		
a. Credited to the applicable student activity account	The procedure was performed without exception.	None.
b. Deposited to the applicable Agency Account	The procedure was performed without exception.	None.
6. Select a sample of 10 disbursements to determine that they were:		
a. Supported by an approved invoice or other documentation	The procedure was performed without exception.	None.
b. Charged to the applicable student activity account	The procedure was performed with the following exception: 1 out of the 10 transactions selected for testing did not identify a fund on the supporting documentation.	We recommend procedures be implemented to identify the specific student activity fund an expense relates to within the supporting documentation for each disbursement.

**CITY OF WORCESTER MASSACHUSETTS
SCHEDULE OF STUDENT ACTIVITY FUNDS TESTING RESULTS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDING JUNE 30, 2018**

Agreed-Upon Procedures	Results	Recommendation
c. Appear to be related to the purpose for which the student activity fund was created	The procedure was performed without exception.	None.

STANDING COMMITTEE: **FINANCE AND OPERATIONS**

DATE OF MEETING: Monday, April 12, 2021

ITEM: Administration/Mr. Monfredo/Miss Biancheria/Mr. Foley/
Ms. McCullough/Mr. O'Connell (January 6, 2020)

Response of the Administration to the request to provide an update on the mold problem at Columbus Park Preparatory Academy and indicate whether or not the City Health Department has provided any recommendations for remediation of this problem.

PRIOR ACTION:

9-5-19 - SCHOOL COMMITTEE MEETING

Mr. Monfredo made the following motion:

Request that the Administration provide an update at the first meeting in October on the environmental problems at Columbus Park Preparatory Academy.

On a voice vote, the motion was approved.

Referred to the Administration.

1-16-20 - SCHOOL COMMITTEE MEETING

Mr. Monfredo requested that the short-term solutions be provided, if possible, in March and updates be provided on the long-term solutions by December.

Ms. Novick asked how many Worcester Public Schools have classrooms in the basements.

Mr. Allen responded that ½ of the school buildings have classrooms in the basement.

Ms. Novick made the following motions:

Request that the Facilities Master Plan be recommitted to the Standing Committee on Finance and Operations.

Request that the Administration discuss, as part of the FY21 Budget process, a Facilities Master Plan to include the remaining schools.

On a voice vote, the motions were approved.

Referred to the Standing Committee on Finance and Operations

BACKUP:

Annex A (3 pages) contains a copy of the Administration's response to the item.

During the 2018-19 school year, the Administration has worked to identify the sources of complaints of mold at Columbus Park Preparatory School. Through work of the district's environmental consultant, it has been generally concluded that mold does not appear to be an issue at the school. However, since the staff reported a variety of environmental symptoms, the Administration requested that the Massachusetts Department of Public Health (MDPH), Bureau of Environmental Health, Indoor Air Quality Program provide an indoor air quality assessment of the school to gain a better understanding of issues that may be impacting the school. The full assessment was provided to the School Committee in January 2020:

The MDPH recommended the following short- and long-term solutions:

Short Term Measures:

1. Operational existing HVAC components to the extent possible when school is occupied to provide fresh air and exhaust.

District Action: The district's Facilities staff are monitoring all HVAC components to ensure that they are operation for fresh air and exhaust. As part of this work and COVID19 strategies, the district has made univent and exhaust fan repairs throughout the building and installed needlepoint bipolar ionization equipment (in univents and portable units) throughout the building. In addition, the district has made a number of steam pipe repairs throughout the building.

2. Use openable windows to provide fresh air during temperate weather. Ensure windows are closed tightly at the end of each day and during heavy rain.

District Action: The school staff has been advised of this recommendation to open windows as intended for fresh air during temperate weather. The district also replaced some basement new, smaller windows (installed through MSBA window replacement program) with larger units to maximize air flow.

3. Consider temporarily sealing the fresh air intake of the HVAC system during hot, humid weather with a non-porous, solid material to prevent wind-driven hot, moist air from entering the building.

District Action: The district's Facilities staff is working to ensure all mechanical dampers are operational to be closed during hot, humid weather. The district has also made foundation repairs to address any water infiltration into the building.

4. Remove all porous materials from the basement including carpeting and store materials. Reduce the amount of materials stored in the basement area in general, and store remaining materials in waterproof totes.

District Action: The school staff has been advised of this recommendation to reduce the amount of porous materials in the basement.

5. Ensure all former locker room drains are permanently sealed.

District Action: The district Facilities staff will ensure all locker room floor drains are permanently sealed. .

6. Operate dehumidifiers during hot, humid weather to reduce relative humidity in basement areas. Ensure all dehumidifiers are emptied, cleaned and maintained regularly to prevent spills and odors.

District Action: Dehumidifiers are installed in each basement classroom and are maintained as recommended.

7. Ensure all sinks in the lower level have wet drain traps throughout the summer break. Run faucets at least twice a week to maintain the airtight seal of the trap.

District Action: The school custodial staff will ensure that lower level drain traps are kept wet during the summer break to maintain the airtight seal of the trap.

8. After consulting with a ventilation engineer, examine the feasibility of changing filters in HVAC units at least twice per year with Minimum Efficiency Reporting Value (MERV) 8 (or higher) filters. Clean HVAC uninvent cabinets of debris and dust when filters are changed.

District Action: As part of COVID-19 mitigation strategies, the district is replacing uninvent filters on a quarterly basis.

9. Clean carpets annually or semi-annually in soiled high traffic areas as per the recommendations of the Institute of Inspection, Cleaning and Restoration Certification.

District Action: The carpets are cleaned during the annual deep clean of the school.

10. For more information on mold refer to “Mold Remediation in Schools and Commercial Buildings” published by the US Environmental Protection Agency.

11. [If] not done so already, the school, the school should be tested for radon measurement specialist during the heating season when school is in session.

District Action: The district engaged an environmental testing company in January 2020. All of the submitted radon samples exhibited a radon concentration below the EPA recommendation Action Level of 4.0 pCi/L.

12. Consider adopting the US EPA (2000) document, “Tools for Schools”, as an instrument for maintain good IAQ environment in the building.

District Action: This district uses the “Tools for Schools” strategies part of the Environmental Management System.

13. Refer to the resource manual and other related IAQ documents located on the MDPH's website for further building-wide evaluations and advice on maintaining public buildings.

Long-term Recommendations:

1. Consideration should be given to replace HVAC units/components as they become past their service life. If not conducted already, consider contacting an HVAC engineering firm for assessment of the ventilation system's components and control systems (e.g., controls, air intake louvers, thermostats). Based on the age, physical deterioration, and availability of parts for ventilation components, such an evaluation is necessary to determine the operability and feasibility of repairing and replacing the equipment.

District Action: The district engaged a mechanical engineering firm to conduct a preliminary review of the existing conditions and to develop a proposal that would consist of an upgrade for the heating and ventilations system. The preliminary estimate to replace the schools' heating and ventilation system is \$3.5 million. The district is working with the City of Worcester's Department of Energy and Asset Management for potential ventilation system improvements as part of funding from the American Rescue Plan Act of 2021.

The Administration has implemented the MDPH suggestions as described within each action recommendations and will continue to maintain the current heating and ventilation system to its potential operational level to control fresh air exchange, as well as maintain other building mitigation systems (dehumidifiers, removal of porous materials, drain maintenance, and the deep clean of high traffic areas). The addition of needlepoint bipolar ionization (with MERV 13 filters in the portable units) will also significantly improve any indoor air quality issues. The long term replacement of the heating and ventilation system will be evaluated and considered as part of the district's capital improvement plan.

The district's (partial) Facilities Master Plan from December 2017 (1,383 pages) can be found on the district website at:

<https://worcesterschools.org/about/departments-offices/facilities-management/wps-study-master-plan/plan/>

ITEM: gb #9-267

STANDING COMMITTEE: **FINANCE AND OPERATIONS**

DATE OF MEETING: Monday, April 12, 2021

ITEM: Administration (August 21, 2019)

To review the annual audit and agreed upon procedures report on compliance and internal controls for the City of Worcester, including the Worcester Public Schools, for the year that ended on June 30, 2019 which included the Government Accountability Office (GAO) and the Office of Management and Budget (OMB) A-133 Reports and the Management Letter.

PRIOR ACTION:

9-5-19 - Referred to the Standing Committee on Finance and Operations.

BACKUP:

Annex A (14 pages) contains a copy of the GAO and Uniform Guidance Reports.
Annex B (29 pages) contains a copy of the City of Worcester's Management Letter,
Year Ended June 30, 2019

**CITY OF WORCESTER, MASSACHUSETTS
GAO AND UNIFORM GUIDANCE REPORTS
YEAR ENDED JUNE 30, 2019**



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**CITY OF WORCESTER, MASSACHUSETTS
GAO AND UNIFORM GUIDANCE REPORTS
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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**

Honorable Mayor and City Council
City of Worcester, Massachusetts

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, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the City of Worcester, Massachusetts, as of and for the year ended June 30, 2019 (except for the Worcester Retirement System, which is as of and for the year ended December 31, 2018), and the related notes to the financial statements, which collectively comprise the City of Worcester, Massachusetts' basic financial statements, and have issued our report thereon dated December 6, 2019. The City of Worcester, Massachusetts' financial statements include the operations of the Worcester Retirement System (as of and for the year ended December 31, 2018) and the Worcester Redevelopment Authority and Upper Blackstone Water Pollution Abatement District (as of and for the year ended June 30, 2019). Our audit described below, did not include operations of those entities because those entities engaged for their own separate audit in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Worcester, Massachusetts' internal control over financial reporting (internal control) to determine the 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 City of Worcester, Massachusetts' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Worcester, Massachusetts' 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.

Honorable Mayor and City Council
City of Worcester, Massachusetts

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. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Worcester, Massachusetts' 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 determination of financial statement amounts. 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*.

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 result 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.



CliftonLarsonAllen LLP

Boston, Massachusetts
December 6, 2019



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

Honorable Mayor and City Council
City of Worcester, Massachusetts

Report on Compliance for Each Major Federal Program

We have audited the City of Worcester, Massachusetts' 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 City of Worcester, Massachusetts' major federal programs for the year ended June 30, 2019. The City of Worcester, Massachusetts' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The City of Worcester, Massachusetts' financial statements include the operations of the Worcester Redevelopment Authority, which received \$3,204,286 in federal awards, which is not included in the accompanying schedule of expenditures of federal awards during the year ended June 30, 2019. Our audit, described below, did not include the operations of the Worcester Redevelopment Authority because they engaged for a separate audit.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Worcester, Massachusetts' 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 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 City of Worcester, Massachusetts' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

Honorable Mayor and City Council
City of Worcester, Massachusetts

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 City of Worcester, Massachusetts' compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Worcester, Massachusetts 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, 2019.

Report on Internal Control Over Compliance

Management of the City of Worcester, Massachusetts 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 City of Worcester, Massachusetts' 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 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 City of Worcester, Massachusetts' 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 a 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 result of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Honorable Mayor and City Council
City of Worcester, Massachusetts

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Worcester, Massachusetts, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Worcester, Massachusetts. We issued our report thereon dated December 6, 2019, 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 City of Worcester, Massachusetts' financial statements include the operations of the Worcester Retirement System (as of and for the year ended December 31, 2018) and the Worcester Redevelopment Authority and Upper Blackstone Water Pollution Abatement District (as of and for the year ended June 30, 2019). The federal expenditures, where applicable, for these entities are not included in the schedule of expenditures of federal awards. 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.



CliftonLarsonAllen LLP

Boston, Massachusetts
September 16, 2020, except for the schedule of federal awards
which is dated December 6, 2019

**CITY OF WORCESTER, MASSACHUSETTS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2019**

<u>Federal Grantor/ Pass-Through Grantor/ Program Name</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Identifying Number</u>	<u>Federal Expenditures</u>	<u>Awards to Subrecipients</u>
U.S. Department of Agriculture				
<u>Passed through the State Department of Elementary & Secondary Education:</u>				
<i>Child Nutrition Cluster</i>				
School Breakfast Program - Cash Assistance	10.553	14-348	\$ 3,372,670	\$ -
National School Lunch Program - Cash Assistance	10.555	14-348	9,928,232	-
National School Lunch Program - Non-Cash Assistance (Commodities)	10.555	14-348	1,233,070	-
Subtotal CFDA 10.555			<u>11,161,302</u>	<u>-</u>
Subtotal Child Nutrition Cluster			<u>14,533,972</u>	<u>-</u>
Supplemental Nutrition Assistance Program (State Administrative Match)	10.561	14-348	361	-
Fruit and Vegetable Program	10.582	14-348	<u>297,036</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>14,831,369</u>	<u>-</u>
U.S. Department of Housing and Urban Development				
<u>Direct programs:</u>				
Community Development Block Grant	14.218	Not Applicable	4,370,258	866,088
Emergency Shelter Grants Program	14.231	Not Applicable	555,501	507,816
HOME Investment Partnerships Program	14.239	Not Applicable	2,384,838	2,274,129
Housing Opportunities for Persons with AIDS	14.241	Not Applicable	<u>607,550</u>	<u>576,661</u>
Total U.S. Department of Housing and Urban Development			<u>7,918,147</u>	<u>4,224,694</u>
U.S. Department of Justice				
<u>Direct programs:</u>				
Office of Juvenile Justice and Delinquency Prevention - Youth Gang Prevention	16.544	Not Applicable	55,616	49,509
Youth Victims of Opioids	16.582	Not Applicable	17,219	-
Office of Violence Against Women Improving Criminal Justice Responses	16.590	Not Applicable	74,665	26,607
Edward Byrne Memorial Justice Assistance Grant	16.738	Not Applicable	367,524	54,901
Edward Byrne Memorial Criminal Justice Innovative Program	16.817	Not Applicable	15,682	-
<u>Passed through the Executive Office of Public Safety and Security</u>				
Violence Against Women Formula Grants (fiscal year 2016)	16.588	2016-WF-AX-0029	<u>50,796</u>	<u>49,800</u>
Total U.S. Department of Justice			<u>581,502</u>	<u>180,817</u>
U.S. Department of Labor				
<u>Passed through the State Department of Career Services:</u>				
Employment Service/Wagner-Peyser Funded Activities	17.207	CT EOL 19CCWORCWP CT EOL 18CCWORCWP CT EOL 17CCWORCWP	63,469	-
Unemployment Insurance	17.225	CT EOL 19CCWORCVETSUI CT EOL 18CCWORCVETSUI CT EOL 17CCWORCVETSUI	11,613	-
Emergency Unemployment Compensation Reemployment & Eligibility Assessment (RESEA & REA)	17.225	CT EOL 19CCWORCVETSUI CT EOL 18CCWORCVETSUI CT EOL 17CCWORCVETSUI	73,978	-
Trade Adjustment Assistance	17.245	CT EOL 19CCWORCTRADE CT EOL 18CCWORCTRADE	158,353	-
<i>WIOA Cluster:</i>				
WIOA Adult Program	17.258	CT EOL 19CCWORCWIA CT EOL 18CCWORCWIA CT EOL 17CCWORCWIA	1,207,753	-
ReBranding	17.258	CT EOL 18CCWORCWIA CT EOL 19CCWORCWIA CT EOL 18CCWORCWIA	36,716	-
WIOA Youth Activities	17.259	CT EOL 17CCWORCWIA CT EOL 19CCWORCVETSUI	799,977	573,000
WIOA Dislocated Workers	17.278	CT EOL 18CCWORCVETSUI	<u>867,061</u>	<u>-</u>
Subtotal WIOA Cluster			<u>2,911,507</u>	<u>573,000</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**CITY OF WORCESTER, MASSACHUSETTS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
 YEAR ENDED JUNE 30, 2019**

Disabled Veterans' Outreach Program	17.801	CT EOL 19CCWORCVETSUI CT EOL 18CCWORCVETSUI	29,248	-
Total U.S. Department of Labor			<u>3,248,168</u>	<u>573,000</u>
U.S. Department of Transportation				
<u>Direct Programs:</u>				
Federal Railroad Administration (Worcester Trespass Prevention)	20.301	Not Applicable	16,623	-
<u>Passed through the State Office of Emergency Management:</u>				
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	2017 2018 HMEP	4,192	-
Total U.S. Department of Transportation			<u>20,815</u>	<u>-</u>
Environmental Protection Agency				
<u>Direct Programs:</u>				
Environmental Policy and Innovation Grants	66.811	Not Applicable	9,691	-
ARRA - Brownfields Cleanup and Assessment Cooperative Agreements	66.818	Not Applicable	42,769	-
Total Environmental Protection Agency			<u>52,460</u>	<u>-</u>
U.S. Department of Education				
<u>Passed through the State Department of Early Education and Care:</u>				
<u>Adult Education:</u>				
Integrated English Literacy & Civics	84.002	359-022-7-0348-R 184-138234-2018-0348-1.0	120,598	-
<u>Passed through the State Department of Career Services:</u>				
DOE / ACLS ISA	84.002A	CT EOL 19CCWORCWCP	4,390	-
<u>Passed through the State Department of Elementary & Secondary Education:</u>				
Title I Distribution (fiscal year 2019)	84.010	305-209354-2019-0348	7,295,472	-
Title I Distribution (fiscal year 2018)	84.010	6305-094062-2018-0348	5,323,794	-
Title I School Redesign (fiscal year 2018)	84.010	511-047-8-0348	34,270	-
Targeted Assistance	84.010	325-277894-2019-0348	81,522	-
Quality Summer Learning	84.010	528-206105-2018-0348-1.0	25,359	-
Title I School Support (fiscal year 2018)	84.010	323-201842-2018-0348	78,728	-
Subtotal Title I and CFDA 84.010			<u>12,839,145</u>	<u>-</u>
Title I, Part D, Subpart 1 Neglected or Delinquent	84.013	320-198771-2018-0348SDW	46,819	-
<i>Special Education Cluster</i>				
SPED 94-142 Allocation (fiscal year 2019)	84.027	240-095231-2019-0348	6,852,939	-
SPED 94-142 Allocation (fiscal year 2018)	84.027	240-095231-2018-0348	407,735	-
SPED 94-142 Allocation (fiscal year 2017)	84.027	240-095231-2017-0348	88,822	-
SPED Program Improvement (fiscal year 2018)	84.027	274-204560-2018-0348	74,236	-
SPED Mass Urban (fiscal year 2019)	84.027	240-283118-2019-0348	40,486	-
SPED Mass Urban (fiscal year 2018)	84.027	240-202452-2018-0348	13,634	-
SPED Mass Urban (fiscal year 2017)	84.027	240-136408-2017-0318-1.0	99	-
Leading Educational Access (LEAP) DCP Incentive	84.027	231 LEAP DCP	380	-
Subtotal CFDA 84.027			<u>7,478,331</u>	<u>-</u>
SPED Early Childhood Program Improvement (fiscal year 2019)	84.173A	262-209353-2019-0348	263,371	-
SPED Early Childhood Program Improvement (fiscal year 2018)	84.173A	298-204559-2018-0348	4,777	-
Subtotal CFDA 84.173A			<u>268,148</u>	<u>-</u>
<u>Passed through the State Department of Early Education and Care:</u>				
<i>Special Education Cluster (continued)</i>				
SPED Early Childhood Allocation (fiscal year 2019)	84.173	26219WORCESTER	3,119	-
SPED Early Childhood Allocation (fiscal year 2018)	84.173	26218WORCESTER	2,364	-
Subtotal CFDA 84.173			<u>5,483</u>	<u>-</u>
Subtotal Special Education Cluster			<u>7,751,962</u>	<u>-</u>
<u>Passed through the State Department of Elementary & Secondary Education:</u>				
Perkins Secondary (fiscal year 2019)	84.048	400-209356-2019-0348	270,800	-
Perkins Secondary (fiscal year 2018)	84.048	400-098241-2018-0348	126,757	-
Subtotal CFDA 84.048			<u>397,557</u>	<u>-</u>
Education for Homeless Children & Youth (fiscal year 2019)	84.196	310-229197-2019-0348	58,852	-
Education for Homeless Children & Youth (fiscal year 2018)	84.196	310-002-8-0348	29,508	-
McKinney-Vento Homeless Education	84.196	310-281784-2019-0348	1,365	-
McKinney-Vento Emergency Support	84.196	313-201842-2018-0348	4,284	-
Subtotal CFDA 84.196			<u>94,009</u>	<u>-</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**CITY OF WORCESTER, MASSACHUSETTS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
 YEAR ENDED JUNE 30, 2019**

Massachusetts 21st Century Community Learning Centers (CLC)	84.287	645-209312-2019-0348	210,347	-
Massachusetts 21st Century CLC - Summer	84.287	644-205826-2018-0348-4.0	19,960	-
Massachusetts 21st Century CLC - Out-of-School-Time	84.287	647-118-8-0348	61,171	-
21st Century CLC (fiscal year 2018)	84.287	0647-096578-2018-0348	94,419	-
21st Century CLC (fiscal year 2017)	84.287	647-038-7-0348	276	-
Subtotal CFDA 84.287			<u>386,173</u>	-
Title III - English Language Acquisition (ELA) (fiscal year 2019)	84.365	180-209351-2019-0348	505,951	-
Title III - English Language Acquisition (ELA) (fiscal year 2018)	84.365	180-153676-2018-0348	492,435	-
Title III - English Language Acquisition (ELA) (fiscal year 2017)	84.365	180-041-7-0348	76,208	-
Title III - ELA - Summer (fiscal year 2018)	84.365	184-080-8-0348	800	-
Title III - English Language Acquisition (ELA) (fiscal year 2018)	84.365	186-201911-2018-0348	114,332	-
Subtotal CFDA 84.365			<u>1,189,726</u>	-
Title IIA - Improving Teacher Quality (ITQ) (fiscal year 2019)	84.367	0140-209349-2019-0348	826,528	-
Title IIA - Improving Teacher Quality (ITQ) (fiscal year 2018)	84.367	0140-096278-2018-0348	140,259	-
Title IIA - Improving Teacher Quality (ITQ) (fiscal year 2017)	84.367	0140-096278-2017-0348	36,847	-
Title IIA - Improving Teacher Quality (ITQ) - High Quality Instructional	84.367	144-206186-2018-0348-1.0	18,583	-
Subtotal CFDA 84.367			<u>1,022,217</u>	-
Level 3 School Turnaround (L3) grants (Goddard)	84.377	539-139771-2018-0348-2.0	298,919	-
School Improvement Grants (fiscal year 2018)	84.377	539-045-8-0348	73,722	-
Subtotal CFDA 84.377			<u>372,641</u>	-
		309-209355-2019-0348		
Title IV	84.424	309-070115-2018-0348	362,515	-
Impact Aid Temporary Emergency Impact Aid for Displaced Students	84.938C	314-281917-2019-0348	71	-
Total U.S. Department of Education			<u>24,587,823</u>	-
U.S. Department of Health and Human Services				
<u>Direct Programs:</u>				
Head Start Program	93.600	Not Applicable	6,431,828	-
<u>Passed through the State Department of Public Health:</u>				
Medical Reserve Corps Grant	93.008	4516-1010	451	-
Public Health Emergency Preparedness	93.069	45100404/45161024	510,798	-
Partnership for the Enhancement of the Regional Preparedness	93.074	4516-10214516-1010	428,324	-
Early Childhood Mental Health	93.104	4512-9069	161,769	-
Childhood Lead Poisoning Prevention Program	93.197	180627701516	41,631	-
Substance Abuse and Mental Health Services	93.243	W50091	78,780	-
The Patient Protection and Affordable Care Act	93.541	INTF1100P01203816181	2,011	-
Mass in Motion	93.758	502925	63,325	-
National Bioterrorism Hospital Preparedness	93.889	45100404/45161024	69,756	-
		200218		
		4512-9068		
Block Grants for Prevention and Treatment of Substance Abuse	93.959	4512-9069	245,107	-
<u>Passed through the State Department of Health and Human Services:</u>				
School-Based Medicaid Reimbursement Program	93.778	1950622	1,718,250	-
Total U.S. Department of Health and Human Services			<u>9,752,030</u>	-
Executive Office of the President				
<u>Direct Programs:</u>				
High Intensity Drug Trafficking Areas Program	95.001	Not Applicable	60,547	-
U.S. Department of Homeland Security				
<u>Direct Programs:</u>				
FEMA Public Assistance	97.036	Not Applicable	566,919	-
Lead Hazard Grant	97.044	Not Applicable	992,464	248,930
Subtotal CFDA 97.044			<u>1,559,383</u>	<u>248,930</u>
<u>Passed through the State Office of Emergency Management:</u>				
Emergency Management Performance Grants	97.042	FY18EMPG100000WORC	78,005	-
Total U. S. Department of Homeland Security			<u>1,637,388</u>	<u>248,930</u>
Total			<u>\$ 62,690,249</u>	<u>\$ 5,227,441</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**CITY OF WORCESTER, MASSACHUSETTS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2019**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Worcester, Massachusetts under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of 2 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 City of Worcester, Massachusetts, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Worcester, Massachusetts.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The City of Worcester, Massachusetts did not elect to use the 10% de minimis indirect cost rate identified in §200.414 of the Uniform Guidance.

NOTE 3 U.S. DEPARTMENT OF AGRICULTURE

The amount reported for the National School Lunch Program – Noncash Assistance (Commodities) represents nonmonetary assistance and is reported in the Schedule at the fair market value of the commodities received. The amounts reported for the National School Breakfast, National School Lunch – Cash Assistance, and Fruit and Vegetable Program represent cash receipts from federal reimbursements.

NOTE 4 U.S. DEPARTMENT OF TRANSPORTATION

The amount reported for the Interagency Hazardous Materials Public Sector Training and Planning Grants program represents federal cash receipts.

NOTE 5 U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

The amount reported for the School-Based Medicaid Reimbursement Program represents federal reimbursements for the Administrative Activity Claims.

NOTE 6 U.S. DEPARTMENT OF HOMELAND SECURITY

The amounts reported for the FEMA Public Assistance and Emergency Management Performance Grants programs represent federal cash receipts.

**CITY OF WORCESTER, MASSACHUSETTS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2019**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes no
 - Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes none reported
3. Noncompliance material to financial statements noted? _____ yes no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes no
 - Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. 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

14.239 84.010	HOME Investment Partnerships Program Title I Grants to Local Education Agencies
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**CITY OF WORCESTER, MASSACHUSETTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Section I – Summary of Auditors’ Results (Continued)

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

\$ 1,879,034

Auditee qualified as low-risk auditee pursuant
to Uniform Guidance?

 x yes no

Section II – Financial Statement Findings

Our audit did not disclose any matter required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any findings or questioned costs related to major federal programs.

CITY OF WORCESTER, MASSACHUSETTS
MANAGEMENT LETTER
YEAR ENDED JUNE 30, 2019



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Management
City of Worcester, Massachusetts

In planning and performing our audit of the financial statements of the City of Worcester, Massachusetts (City) as of and for the year ended June 30, 2019, in accordance with 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, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and recommendations regarding those matters. This letter does not affect our report dated December 6, 2019, on the financial statements of the City.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various City personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

The City's written responses to the matters identified in our audit have not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management of the City, and is not intended to be, and should not be, used by anyone other than management.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Boston, Massachusetts
July 28, 2020

CITY OF WORCESTER, MASSACHUSETTS
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CITY OF WORCESTER, MASSACHUSETTS
MANAGEMENT LETTER
YEAR ENDED JUNE 30, 2019

Police Overtime

Comment

We identified the following related to Police Department ("the Department") overtime:

Policies and Procedures

Per our review of the Department's policies and procedures, we identified two sections pertaining to overtime – *No. 345 Overtime Reports* ("No. 345") and *No. 900 Governing Work Schedules* ("No. 900"). The following is a summary of our observations:

- *No. 345* states that Commanding Officers are requested to submit narratives describing the reasons needed for the utilization of personnel overtime. Based on inquiries of members of the Department and sample testing of overtime expenses, Overtime Reports as described in *No. 345* are not consistently being produced and included as supporting documentation for overtime expenses.
- Overtime and Court Overtime are two small sections within *No. 900*. To place more emphasis on overtime - given that it is a significant activity and expense - the Department should consider a separate Policy and Procedure section entirely devoted to all aspects of overtime.
- The overtime sections in *No. 900* do not completely address all policies and procedures related to overtime. The following are some examples:
 - There is a section on Court Overtime, however, there are many other different types of overtime (elections, grant overtime, Summer Impact program, etc.) that are not addressed. Per inquiries of members of the Department, different types of overtime have unique sets of policies and procedures that vary from standard rules and regulations. These need to be documented in policies and procedures.
 - Per inquiries of members of the Department, court overtime is paid at a 4-hour minimum. This is not stated in *No. 900*.
 - There are various forms and reports utilized in practice to document overtime (such as overtime requisition slips and overtime query reports) that are not documented in *No. 900*.

CITY OF WORCESTER, MASSACHUSETTS
MANAGEMENT LETTER
YEAR ENDED JUNE 30, 2019

Sample Expense Testing

We tested a sample of overtime expenses. The following is a summary of our observations:

- Each expense tested was for overtime in excess of 16 hours in a 24-hour period. According to *No. 900*, no employee of the Department may work more than 16 hours in any 24-hour period unless it is an emergency or serious crime investigation. *No. 900* further states that the division commander shall document the reasons for hours worked in excess of 16 hours in any 24-hour period. For the majority of the sample tested, the hours in excess of 16 in a 24-hour period did not fall into the categories described in *No. 900*, nor was there documentation as described in *No. 900*.
- Time cards or other forms signed by employees do not include "Assertions" indicating what is being attested to when the forms are signed.
- Time cards or other forms signed by employees do not always include printed names, which can make it difficult to ascertain names on the time cards/forms.
- Per inquiries of members of the Department, overtime requisition slips ("slips") are utilized to document overtime, including supervisory approvals. We identified the following related to overtime requisition slips:
 - Slips were not provided as supporting documentation for all of the sample expenses. Through inquiries, it was stated that slips are not required for certain types of overtime, such as court overtime. However, as noted previously, slips are not documented in the Department's Policies and Procedures. Therefore, there is no written policy to substantiate which types of overtime require slips and which types of overtime do not require slips.
 - For all expenses which included slips, they were all dated after the overtime was incurred. While there are many instances in which it is not possible to obtain supervisory approval prior to incurring overtime, there are instances in which it is feasible to obtain prior supervisory approval. Some of the examples in our sample were instances in which it was feasible to have obtained prior supervisory approval.
 - In one instance, the employee incurring the overtime also signed off as the supervisory approver.
 - In one instance, the employee incurring the overtime did not sign the slip.
- Per inquiries of members of the Department, overtime reports and/or overtime query reports are utilized to document overtime, including supervisory approvals. We identified that overtime reports and/or overtime query reports were not provided as supporting documentation for all of the sample expenses. In addition, for samples in which such reports were provided, they did not all contain supervisory approval signatures.

CITY OF WORCESTER, MASSACHUSETTS
MANAGEMENT LETTER
YEAR ENDED JUNE 30, 2019

- Several of the sample selections related to overtime for election days. The following is a summary of our observations related to overtime for elections:
 - The documentation included reports of employee names and their hours worked. At the bottom, the reports stated, "Verify Your Assignment With Your Initials". None of the election reports in the sample contained employee initials. In addition, none of the reports contained supervisory approval signatures.
 - In general, the reports of employee names and their hours worked were not easily readable and did not provide clear audit trails.
 - In many cases, employees worked more than 16 hours in a 24-hour period for elections. As identified previously, *No. 900* states that no employee may work more than 16 hours in any 24-hour period unless it is an emergency or serious crime investigation. Elections would not seem to meet this criteria.

Budgeting

During fiscal year 2019, a significant amount of supplemental budget transfers (from both Police Department salaries and other City Departments' budgets) were required to fund Police Department overtime expenses. This was also the case in previous fiscal years.

This is indicative of original budgets that are not accurately estimating annual costs and/or a need for improvement in managing overtime costs within budgetary constraints.

Recommendation

We recommend the Department update overtime policies and procedures, either by revising existing policies and procedures or drafting an entire new section devoted exclusively to overtime. The following should be considered when updating overtime policies and procedures:

- The Department needs to determine if the Overtime Reports currently described in *No. 345* should be required and enforced or replaced by a different type(s) of overtime report(s). When determining the type(s) of overtime report(s) to utilize, the Department must require at least one type of overtime report for each occurrence of overtime. Also, for each occurrence of overtime, at a minimum, a supervisor must sign the report/form.
- Overtime policies and procedures must be complete and address any and all aspects of overtime, including the types of overtime that are commonly incurred and all their unique considerations (court, elections, grants, Summer Impact program, etc.), all documentation that is required to substantiate the incurrence and approvals of overtime (requisition slips, overtime query reports, election summary sheets, etc.) and all processes involved with reporting and recording overtime payroll expenses in the City's accounting records. If certain documentation (for example, requisition slips) is not required for all types of overtime, it needs to be clearly defined in the policies and procedures.

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- Policies and procedures related to the 16 hour maximum in any 24-hour period need to be revisited, more clearly defined and more strictly enforced

We recommend that all of the Department's policies and procedures (including overtime) be reviewed and signed off annually by all employees (and during the initiation process for new employees).

We recommend the Department consider adding standard "Assertions" or "Attestation" language to its time cards and/or other timekeeping forms. Examples of such language could include assertions related to accuracy of hours worked and compliance with City Ordinance, Chapter 3, Section 26 prohibiting employees from working while they are in a paid leave status.

We recommend the Department consider adding printed names to its time cards and/or other timekeeping forms.

We recommend overtime requisition slips be completed and signed off prior to the incurrence of overtime when feasible. As part of updating overtime policies and procedures, the Department should define (and/or provide examples) when it is deemed feasible to obtain pre-approval for overtime.

We recommend the Department re-emphasize that as part of processing overtime payroll, overtime requisition slips (when required) must be signed by both the employee incurring the overtime and a supervisor - and the employee incurring the overtime cannot also sign off as the supervisor. This should also be clearly stated in the updated policies and procedures.

We recommend the Department re-emphasize that as part of processing overtime payroll, overtime reports and/or overtime query reports (when required) must be signed by a supervisor. This should also be clearly stated in the updated policies and procedures.

We recommend the Department create a new report to document overtime incurred for elections. At a minimum, the report should easily and clearly identify the employees' names, shift hours worked and number of hours worked. The report should also contain the initials or signatures of the employees and their supervisor(s).

We recommend that when revisiting the 16-hour maximum rule in any 24-hour period, the Department consider whether elections should be an allowable instance of exceeding 16 hours in any 24-hour period.

We recommend the Department perform some form of "internal audit" or "spot check" of overtime prior to processing each payroll to identify instances in which policies and procedures were not adhered to and take remedial actions deemed appropriate to strengthen the governance and enforcement of overtime policies and procedures.

We recommend the Department review its processes for budgeting overtime costs and monitoring costs against the budget throughout the fiscal year in an effort to both minimize the original overtime budget and minimize the need for supplemental budget transfers.

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Management's Response

The City concurs with the recommendations. In FY21, the Police Department adopted Policy & Procedure No. 910, a new section that outlines guiding principles and specific procedures related to overtime. This update addresses items raised including eligibility, reporting, and documentation. The Department will monitor the implementation of this policy and refine as necessary and appropriate.

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Police Detail Payroll

Comment

We identified the following related to Police detail (i.e., "off-duty assignments") payroll:

- We tested 13 police detail transactions and identified the below. It should be noted that all variances identified were small in nature.
 - The Police Department ("the department") maintains "Daily Reports" as a record of officer assignments and hours worked. For 2 of 13 transactions tested, the hours reported on the Daily Report did not reconcile to the hours the officer was paid for.
 - The department also utilizes "Off Duty Assignment Slips" ("slips") as a record of off-duty assignments, which includes the vendor name, officer names, hours worked and approval signatures. For 1 of 13 transactions tested, the hours reported on the slip did not reconcile to the hours the officer was paid for.
 - For 1 of 13 transactions tested, the hours reported on the Daily Report did not reconcile to the hours reported on the slips.
 - For 4 of 13 transactions tested, the slips did not include the printed name of the supervisor (vendor and/or supervising officer) approving the slip, which can make it difficult to ascertain who approved the slip.
 - For 1 of 13 transactions tested, the amount billed to the vendor did not reconcile to the amount the officer was paid.
- A 10% administrative fee is charged to vendors unless they are exempt. Exemptions include City departments and work performed on State projects. Per our review of exempted vendor lists, there appear to be some vendors excluded from the 10% administrative fee that would not fall into an exempt category. This can occur, for example, when a vendor is exempted from the fee as a sub-contractor on a State project, but not removed from the exempt list after the project is completed.

Recommendation

We recommend the department strengthen/reinforce procedures to ensure that Daily Reports and slips reconcile to amounts paid to officers.

We recommend the department strengthen/reinforce procedures to have supervisors print their names on slips in addition to signing them.

We recommend the department strengthen/reinforce procedures to ensure that amounts billed to vendors reconciles to amounts paid to officers.

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We recommend the department periodically (at least monthly) review the exempt vendors list to ensure the accuracy of administrative fee exemptions.

Management's Response

- As is common practice, when a detail is requested, this information is entered into the Daily Report prospectively with the preliminary location, hours, and number of officers requested. Often, when detail hours are changed by a vendor due to circumstances at the job site, this is indicated on an officer's slip and the daily report is adjusted accordingly. However, when multiple officers are assigned to a detail, it is common depending on vendor need that some officers sign out earlier than others. Therefore, a Daily Report may not reconcile exactly with a signed slip. A signed slip, however, will always reconcile to the amounts paid to the officers.
- Procedures will be reinforced through periodic reminders via the Detail Assignment program's Message Board (required to be viewed each time an officer signs on) as well as ongoing monitoring by Detail Office staff, civilian and sworn, as slips are processed for payment. We will also remind all personnel assigned to off-duty details that, in the case where there does not exist an agent or representative of the vendor to sign the slip, this must be clearly stated on the slip ("Not Available – N/A").
- No cases were noted where the amount billed to vendors differed from the amount paid to officers. Billing amounts are generated solely from the hours indicated on an officer's slip. While there exists some discrepancies of officers being paid slightly less or more than the four hours indicated, this relates specifically to the "Supervising Sergeant of Liquor Establishments" detail which may require billing to multiple vendors and over multiple pay periods for a single detail instance. We are working with Technical Services to address this issue.
- Department staff will review the exempt vendors list periodically to ensure the accuracy of administrative fee exemptions.

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Parking Garages and Other Parking Matters

Comment

We identified the following related to parking garages and other parking matters:

- We reviewed the "Parking Services Revenue Manual" maintained by the Department of Public Works & Parks ("DPWP") and identified the following:
 - The manual is in "Draft" format.
 - The manual includes references to LAZ Parking, a service company that is no longer used by the City.
 - The manual references appendices, but the appendices are not included in the manual.
 - The manual contains various "step-by-step" procedures for various types of processes related to parking operations. The manual references "step numbers", however, the step-by-step procedures are in bullet format, which makes it difficult to follow the references to step numbers.
 - The manual does not include policies and procedures related to old outstanding accounts receivable.
- According to the "Parking Services Revenue Manual", monthly rates for parking lots have not changed since June of 2015.
- The City maintains various automated pay stations to collect parking fees. According to the "Parking Services Revenue Manual", amounts received by certain pay stations are only collected bi-weekly.
- According to the "Parking Services Revenue Manual", the City has approximately 1,300 parking meters, some of which only accept coins.
- Certain users of parking lots pay on a monthly basis. According to the "Parking Services Revenue Manual":
 - The City uses Excel to account for billings and collections of monthly lot payers.
 - Payments are primarily made with checks.

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- We tested 17 revenue transactions and identified the following:
 - Transmittal forms are utilized to summarize revenues recorded to the City's general ledger. The forms include spaces for a supervisory reviewer to sign off and date the forms to indicate approval. For 3 of 17 transactions tested, the reviewer did not date the sign-offs and for 5 of 17, there were no reviewer sign-offs.
 - For 3 of 17 transactions tested, the supporting documentation did not include details (i.e., copies of checks, list of checks, etc.) for Monthly/Events/Validations revenue.
- The City utilizes ABM Parking Services ("ABM") to help manage and operate the City's parking garages. ABM maintains monthly accounts receivable ledgers for each parking garage. As of June 30, 2019, the receivable balances per ABM ledgers did not reconcile to the receivable balances reported in the City's general ledger. Part of the cause is that DPWP does not have a formal process in place to maintain their own accounting of accounts receivable which is then reconciled to ABM's reports.

Recommendation

We recommend updates and improvements to the "Parking Services Revenue Manual" based on the comments identified previously. Once the manual is fully updated and complete, it should be reviewed and approved by appropriate members of the DPWP and finalized accordingly.

We recommend the City consider more frequent updates to parking rates.

We recommend the DPWP consider the cost/benefit of more frequent pay station collections for the pay stations that are currently collected bi-weekly.

We recommend the DPWP consider the cost/benefit of a long-term strategy to replace parking meters with pay stations and/or replace all coin-only meters with pay stations or meters that collect other forms of payment.

We recommend the DPWP consider the cost/benefit of utilizing an accounting software (e.g. Quickbooks) for monthly lot payers. In analyzing this option, consideration should be given to the software's ability to allow for online bill payment, as opposed to customers paying by checks sent in the mail.

We recommend the DPWP strengthen/reinforce procedures for supervisors to review, sign and date all transmittal forms.

We recommend the DPWP strengthen/reinforce procedures to include details (i.e., copies of checks, lists of checks) for Monthly/Events/Validations revenue.

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We recommend the DPWP maintain an accounting of monthly accounts receivable and reconcile their accounts receivable reports to ABM reports on a monthly basis. The monthly reconciliations and ABM reports should be forwarded to the City Auditor's Office for recording in the general ledger. The ABM reports forwarded to the City Auditor's Office should contain details of amounts billed and received by vendor.

We recommend the DPWP consider the cost/benefit of having ABM manage and account for all vendors that pay for parking on a monthly basis, including parking lots. DPWP would still need to reconcile accounts receivable to ABM's reports and forward information to the City Auditor's Office for recording in the general ledger.

Management's Response

The City concurs with the recommendations. The Parking Services Revenue Manual will be reviewed and updated and submitted to the Off Street Parking Board (OSPB) for approval. Parking rates are currently being reviewed, with new garage parking rate recommendations being developed by ABM Parking and new surface and meter rates being developed by DPWP. As appropriate, these rates will also be submitted to the OSPB. The current contract with ABM Parking, signed in October 2019, requires weekly collection at all pay stations and meters, however, due to decreased revenues as a result of COVID-19 that collection has changed to bi-weekly. Returning to weekly collections will begin again as soon as revenue trends and occupancy rates start to increase. The City is moving forward with an RFP for a parking management firm to plan, organize, and coordinate with City-contracted parking vendors, City parking staff, and customers to ensure a successful product integration, implementation, roll-out, and operation of planned parking improvements such as "pay by plate," mobile payment apps, a downtown merchant validation program, and the replacement of meters with multi-space kiosks.

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Inspectional Services

Comment

We identified the following related to the Inspectional Services Department ("the department"):

- The department accepts both paper and online electronic applications for permits. For various reasons (efficiency, reduce paper, etc.), the department should consider eliminating paper applications.
- The department accepts cash payments for permit fees. For various reasons (primarily safeguarding of assets and reduced risk of theft), the department should consider eliminating cash transactions.
- We tested 6 building permits and identified the following:
 - 4 of 6 tested had no information in various required fields in the permit application
 - 2 of 6 tested did not contain certain required signatures in the permit application
 - 1 of 6 tested did not contain documentation of estimated project costs
- We tested 4 electrical permits and all 4 had "Work Start Dates" that were prior to the date the permit was issued/approved.
- We tested 11 permit revenues and identified the following:
 - The department maintains a financial policy and procedure manual documenting its procedures related to revenues. The policy and procedure manual states that daily cash reconciliation reports are to be initialed by the preparer. For all 11 revenues tested, preparer initials were not included in the daily cash reconciliation reports.
 - The policy and procedure manual refers to supervisor reviews of daily cash reconciliations. However, the manual does not state that supervisory reviews should be signed and dated by the supervisor. For all 11 revenues tested, there were no sign-offs indicating supervisory review of daily cash reconciliation reports.
 - The policy and procedure manual states that a check mark is to be placed next to revenues by type (building, electrical, etc.) on a particular report to verify the accuracy of revenues by type. For 1 of 11 revenues tested, check marks were not placed next to each revenue type in accordance with the manual.

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Recommendation

We recommend the department consider the cost/benefit of eliminating paper applications for permits.

We recommend the department consider the cost/benefit of eliminating cash payments for permit fees.

We recommend the department strengthen/reinforce procedures to ensure all required fields and signatures are included in all permit applications. If not done already, online electronic applications could be structured to automatically block submission if required fields and/or signatures are not completed.

We recommend the department strengthen/reinforce procedures to maintain supporting documentation of estimated project costs for all permit applications.

We recommend the department strengthen/reinforce policies and procedures to prevent projects from starting prior to obtaining approved permits.

We recommend the department strengthen/reinforce policies related to daily cash reconciliations as follows:

- Preparers initial/sign and date documentation
- Reviewers initial/sign and date documentation
- Reviewers check-off revenues by type on the applicable report(s)

Management's Response

- The City concurs with many of the recommendations. In certain cases, such as a requirement for paper applications or the ability of contractors to begin certain work prior to obtaining permits (e.g., electrical), State code sometimes preempts municipal flexibility. That said, as the City migrates from View Permit to View Point cloud software (Open.Gov), all permit communication will happen electronically from the initial application, payment, approval, and inspections. Cash is accepted for customer convenience, however exact payment is required and a receipt is provided.
- The Department's financial policy and procedure manual states that daily cash reconciliation reports are to be initialed by the preparer. The guidelines set by the Treasurer's office requires the Department preparer to initial and date the adding machine tape that is used to secure the deposit slip and the cash/checks. This is done in-house by the Department's preparer of the deposit on every reconciliation. The preparer then hands off the package to a second supervisor who balances the Department cash report for the day with the lockbox reconciliation that is sent each day electronically at 4:15pm. The Department sends the packet over to Treasury the next day and Treasury validates that the cash and checks are correct and match the amounts listed on the tape. Inspectional Services does not get this tape back or scanned to us to include in our electronic version of the reconciliation. Going forward the Department can take a photocopy of the deposit slip package to show that each deposit was initialed by the preparer.

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Information Technology

Comment

We evaluated the City's computer processing environments and general controls over information technology (IT) related to business and financial systems. The evaluation was not intended to be a full scope network security review of the City's information technology infrastructure. The scope was limited to internal controls and security features related to the integrity of transactions and data that could impact financial reporting.

The following are the deficiencies we identified. Other than the last deficiency documented below, each of the deficiencies were also reported in the prior year Management Letter:

- There was no external risk assessment performed during the period. This presents the risk that an independent perspective on the risk universe for IT or enterprise-wide scope will be absent which precludes the possibility of corroboration with internal results and the opportunity to benchmark against leading practice and peers.
- The application administrator for Vision Appraisal systems is the City Assessor. This represents a weakness in segregation of duties. This presents the risk of unauthorized modifications to financially significant systems and data.
- For in-house applications, the technical support staff have access to migrate changes through the entire process. Specifically, while a testing step and request via a Help Desk ticket are required for major updates or upgrades to in-house applications, technical support staff may be able to push unauthorized changes to production and bypass the process altogether based on access rights granted to them. This presents the risk of unauthorized modifications to financially significant systems and data.
- The current Data Confidentiality policy does not explicitly state the different types of public data that may be handled. Additionally, instructions for securing the different types of data specified (confidential vs. sensitive) is not clear. This represents the risk that data is not classified and secured properly.

Recommendation

We recommend the City analyze the cost/benefit of resolving the deficiencies identified in our IT evaluation.

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Management's Response

- During the audit period, Technical Services was in the process of replacing key equipment, including network firewalls, network equipment, and system servers. The infrastructure and configurations were to be replaced and it did not make sense to schedule and fund risk assessments on equipment and infrastructure that was being replaced. Risk assessments and external pen tests will be scheduled in January 2021.
- The administrator role for the Vision Appraisal system is no longer held by the Assessor. The Technical Services Department staff now serve as the administrator.
- Programming staff are required to review changes with their manager prior to moving to production. The current ERP system lacks an effective change management process; the City is looking to replace this system with a modern ERP system with inherent change management processes.
- The City's Data Confidentiality Policy continues to be modified and the recommendations contained in the Management Letter will be incorporated into the Policy.

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Refund Bank Account

Comment

In the prior year Management Letter, we identified various areas for improvement and recommendations related to the Refund Bank Account. The recommendation below remains in effect for the City's consideration.

Recommendation

In the prior year, we recommended the City perform a cost/benefit analysis to determine if the current practice of using pre-printed check stock for refunds should be replaced with an automated check writing/printing system. At this time, the City is exploring this option. We recommend the City continue this endeavor.

Management's Response

The City agrees that there are opportunities for cost savings, improvements to internal controls, and process efficiencies related to replacing the manual, pre-printed check process with an automated check writing/printing system. Our evaluation of providers continues with the objective of implementing a solution in FY21.

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Veterans' Services

Comment

In the prior year Management Letter, we identified various areas for improvement and recommendations related to the Veterans' Services department ("the department"). The recommendations below remain in effect for the City's consideration.

Recommendation

In the prior year, we recommended the department implement and utilize a centralized accounting system to track all refunds owed from beneficiaries. The department has implemented and is utilizing a centralized system to track refunds owed. Now that this system is in place, we recommend the department forward a monthly accounts receivable report to the City Auditor's Office so that the City can record (and update monthly) an accounts receivable balance in the City's general ledger.

In the prior year, we recommended the department consider discontinuing the use of manual "Pay Cards". At this time, the department is exploring technologies to replace the functionality of manual pay cards. We recommend the department continue this endeavor.

Management's Response

- The Veterans' Services Division has worked extensively beginning in fiscal year 2020 to implement prior recommendations. VS-5 forms have been diligently submitted within 30 days of the month-end. In accordance with M.G.L. c. 115; § 2 & 6, and c. 30A, § 3, and 108 CMR 13.00 (1)(2) the requirements for reimbursement to municipalities dictates that the Veterans' Agent, and the Treasurer of each city or town, must submit a certification within thirty days following the month in which expenditures for veterans' benefits were made. According to a recent communication by Massachusetts Department of Veterans Services, Worcester is one of 25% of municipalities that are up-to-date on closing the month within the 30-day window.
- The Division of Veterans' Services has implemented a tracking spreadsheet that is centralized and saved on a shared network which details when an individual is placed in refund and the amount, as well as when funds are being repaid. For FY20, the beginning balance for refunds owed was \$144,972.62. Over the course of the year a total of \$28,301.49 of payments were made. The Division has entered FY21 with a starting balance of \$116,671.13. The Division has proactively addressed circumstances in which an applicant may owe and has formalized repayment plans as means to keep eligible recipients on benefits while simultaneously addressing their refund balance.
- Reconciliations of VS-5 forms to the General Ledger are signed off and dated by the preparer and reviewer each month, and the expected reimbursement receivables are forwarded to the City Auditor once VS-5 forms are submitted.

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- The Division of Veterans' Services looked at the possible replacement of the manual "pay cards." These cards function like a system of checks and balances between the City's financial system (HERA) and the State's benefit system (VSMIS), so the Division has looked toward improving the tool with new integrative technologies that remove redundancy. The Division is working with Technical Services to create an electronic tool that serves the same purpose. The City's recent endeavor to make improvements to the HERA system could also make the cards obsolete.

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Golf Enterprise Fund

Comment

In the prior year Management Letter, we identified various areas for improvement and recommendations related to the Golf Course enterprise fund. The recommendations below remain in effect for the City's consideration.

Recommendation

We recommend the City upgrade and optimize security cameras at the golf course.

We recommend the City perform documented monthly reconciliations of inventory additions and reductions recorded in GolfNow to revenues and expenses recorded in the general ledger.

DPW is performing physical inventory counts. The documentation of the counts should be enhanced as follows:

- The employee conducting the counts should sign-off on the counts with their name and date
- Variances between the physical counts and balances per the inventory software must be clearly calculated and reported
- Investigations of variances must be documented and resolved

We recommend the City perform documented monthly reconciliations of liability accounts between GolfNow and the general ledger. We identified that although some of these reconciliations have been performed, they are not consistently performed on a monthly basis.

Management's Response

The City concurs with many of the recommendations. DPWP will now be performing certain reconciliations and reviewing inventory monthly. Reconciliation with the General Ledger is in development but should be fully implemented in FY21. DPWP continues to look for opportunities to incorporate cameras as part of ongoing capital projects and is securing prices for the full project in FY21.

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Health Insurance

Comment

In the prior year Management Letter, we identified various areas for improvement and recommendations related to health insurance. The recommendations below remain in effect for the City's consideration.

Recommendation

In the prior year, we recommended the City analyze the costs/benefits of implementing a fully automated benefits management system and/or improving the automation of certain processes associated with health insurance benefits. At this time, the City has hired a consultant to assist with this process. We recommend the City continue this endeavor.

We recommend the City implement procedures to record an accounts receivable balance in the general ledger for outstanding amounts owed from employees and retirees billed for health (and other) insurance.

Management's Response

- The City continues researching ERP companies to replace its Integrated Financial Management System, which will include a Human Capital Management solution. The goal is to have a new vendor selected and on board in FY21.
- The City performs a review of medical billing and semi-annual review of accounts receivable for the Health Insurance Trust and issues monthly bills. While we believe the amounts are immaterial and collectability is uncertain, we will review our policies to determine whether the City should record a valid receivable for such amounts on the City's General Ledger.

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Police Detail Revenues and Receivables

Comment

In the prior year Management Letter, we identified various areas for improvement and recommendations related to police detail revenues and accounts receivable. The recommendation below remains in effect for the City's consideration.

Recommendation

We recommend the City resolve non-timing reconciling items in monthly police detail accounts receivable reconciliations either that month or the following month. For example, reconciling items labeled "not recorded general ledger" should be resolved by forwarding supporting documentation to the City Auditor's Office so they may record adjustments to the general ledger.

Management's Response

The City recognizes the importance of timely reconciliation of accounts. The City's goal is to reconcile miscellaneous accounts receivable, including the Police Detail receivable, on a monthly basis, generally within 45 days of the month-end. Due to system accounting and reporting limitations, reconciliations and clearing of reconciling items requires a significant and undesirable commitment of resources, well beyond what is typically required for such efforts. A robust receivables and billing component of a new ERP system, coupled with streamlined internal controls processes should improve the reconciliation process. In FY21, we will explore ERP options as well as other resources necessary to improve the timeliness of this process.

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Bank Account Reconciliations

Comment

In the prior year Management Letter, we identified an area for improvement and recommendation related to bank account reconciliations. The recommendation below remains in effect for the City's consideration.

Recommendation

We recommend the City resolve non-timing reconciling items in monthly bank reconciliations either that month or the following month. For example, reconciling items labeled "not recorded book" should be resolved by making the applicable adjustment to the Treasurer's cashbook balances.

Management's Response

The City recognizes the importance of timely reconciliation of accounts. In FY20, the Treasurer's Office cleared all material reconciling items originating from fees and credit card transactions. Bank account manual ledgers are reconciled at least monthly to their corresponding bank accounts. The bank account manual ledgers are subsequently reconciled monthly to the General Ledger balance, generally within 45 days of the month-end. Variances are researched and transmittals are processed to clear reconciling items.

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Accounts Receivable Reconciliations

Comment

In the prior year Management Letter, we identified various areas for improvement and recommendations related to accounts receivable reconciliations. The recommendations below remain in effect for the City's consideration.

Recommendation

We recommend the City resolve non-timing reconciling items in monthly accounts receivable reconciliations either that month or the following month. For example, reconciling items labeled "not recorded general ledger" should be resolved by forwarding supporting documentation to the City Auditor's Office so they may record adjustments to the general ledger.

We recommend the City complete all monthly accounts receivable reconciliations within 45 days of month-end.

Management's Response

The City recognizes the importance of timely reconciliation of accounts. The City's goal is to reconcile accounts receivable monthly, generally within 45 days of the month-end. Due to system accounting and reporting limitations, reconciliations and clearing of reconciling items requires a significant and undesirable commitment of resources, well beyond what is typically required for such efforts. A robust receivables and billing component of a new ERP system, coupled with streamlined internal controls processes should improve the reconciliation process. In FY21, we will explore ERP options as well as other resources necessary to improve the timeliness of this process.

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Escrow Liabilities/Other Liabilities

Comment

In the prior year Management Letter, we identified various areas for improvement and recommendations related to escrow and other liabilities. The recommendations below remain in effect for the City's consideration.

Recommendation

We recommend the City resolve non-timing reconciling items in escrow liability reconciliations in the period following the reconciliation. For example, reconciling items labeled "reclassify" should be resolved by recording the applicable reclassifications.

We recommend the City complete all quarterly escrow liability reconciliations within 45 days of quarter-end.

Management's Response

The City recognizes the importance of timely reconciliation of accounts. Escrow liabilities are reconciled quarterly, generally within 45 days of the quarter-end. Treasury's goal is to improve that timeline to a monthly process as staffing levels are stabilized. The Treasurer is working with City departments to identify and resolve significant escrow liabilities. In FY21, we will explore ERP options as well as other resources necessary to improve the timeliness of this process.

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State Special Revenue and Capital Projects Funds

Comment

In prior years' Management Letters, we identified the City maintains many special revenue and capital projects funds with balances for which there was no revenue or expense activity, which may be indicative that the funds are "stale" and no longer represent current activities.

The City has closed/resolved some of these "stale" funds, but several funds remain to be investigated and resolved.

Recommendation

We recommend the City continue to investigate and analyze "stale" special revenue and capital projects funds to determine the status of the funds and to take any necessary actions.

Management's Response

The City will continue to research and resolve legacy accounts.

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Chapter 90

Comment

In a prior year Management Letter, we recommended the City improve its accounting for Chapter 90 funds to match revenues with expenses. The City has implemented a new accounting methodology that requires expenses to be reclassified once reimbursement revenues are received. However, we identified that the expense reclassifications are not consistently being provided by the Department of Public Works & Parks (DPWP) to the City Auditor's Office in a timely manner.

Recommendation

We recommend the DPWP forward Chapter 90 expense reclassifications to the City Auditor's Office immediately upon receipt of the related reimbursement revenues.

Management's Response

The DPWP implemented a new accounting procedure in FY20 to better match the recording of Chapter 90 reimbursements with their corresponding expenditures. In order to improve this process and the time of the recording of entries in the Integrated Financial Management System, the Department has implemented a policy that the reimbursements and corresponding expenditure adjustments are now submitted to Auditing at the same time. The Department continues to maintain detailed records of the specific invoices that back up each reimbursement request, so that the complete record is available for review if needed.

CITY OF WORCESTER, MASSACHUSETTS
MANAGEMENT LETTER
YEAR ENDED JUNE 30, 2019

Withholding Liabilities

Comment

In the prior year Management Letter, we identified various areas for improvement and recommendations related to withholding liabilities. The recommendations below remain in effect for the City's consideration.

Recommendation

We recommend the City resolve unidentified reconciling items and old, "non-timing" reconciling items in payroll withholding reconciliations, which may include making adjustments to the general ledger.

Management's Response

- The City recognizes the importance of timely reconciliation of accounts. The City's goal is to reconcile miscellaneous accounts receivable monthly, generally within 45 days of the month-end. Due to system accounting and reporting limitations, reconciliations and clearing of reconciling items requires a significant and undesirable commitment of resources, well beyond what is typically required for such efforts. A robust receivables and billing component of a new ERP system, coupled with streamlined internal controls processes should improve the reconciliation process. In FY21, we will explore ERP options as well as other resources necessary to improve the timeliness of this process.
- Withholding liabilities are reconciled monthly, generally within 45 days of the month-end. Any variances are researched and communicated to the City Auditor's for determination on adjustments to the General Ledger.

ITEM: gb #9-269

STANDING COMMITTEE: **FINANCE AND OPERATIONS**

DATE OF MEETING: Monday, April 12, 2021

ITEM: Administration (August 21, 2019)

To review the annual audit and agreed upon procedures on the Independent Accountants' Report on Applying Agreed Upon Procedures for the Department of Elementary and Secondary Education End of Year Financial Report for fiscal year 2018-19.

PRIOR ACTION:

9-5-19 - Referred to the Standing Committee on Finance and Operations.

BACKUP:

Annex A (12 pages) contains a copy of the Independent Accountants' Report on Applying Agreed-upon Procedures for the Year ended June 30, 2019.

Annex B (12 pages) contains a copy of the Independent Accounts' Report on Applying Agreed-upon Procedures for the Year ended June 30, 2020.

CITY OF WORCESTER SCHOOL DEPARTMENT
INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2019

CITY OF WORCESTER SCHOOL DEPARTMENT

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**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Superintendent of Schools
City of Worcester
Worcester, MA

We have performed the procedures enumerated in the accompanying Summary of Procedures and Findings section of the Special Report that follows and is incorporated by reference herein, which were agreed to by the City of Worcester School Department (the District), on evaluating if the District completely and thoroughly prepared and filed the Department of Secondary and Elementary Education annual End of Year Pupil and Financial Report for the year ended June 30, 2019. The City of Worcester's (the City) management is responsible for their accounting records. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described in the accompanying Summary of Procedures and Findings section that follows either for the purpose for which this report has been requested or for any other purpose.

This agreed-upon procedures engagement was conducted 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 any of the account totals included in the District's annual report or any other records of the City that may be referenced in our procedures. 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.

This report is intended solely for the information and use of the City of Worcester School Department and governmental users of the End of Year Report, and is not intended to be and should not be used by anyone other than these specified parties.

Spinelli CPA, PC

Worcester, MA
January 20, 2020

**CITY OF WORCESTER SCHOOL DEPARTMENT
SPECIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019**

INTRODUCTION AND BACKGROUND

In accordance with a contract with the City of Worcester School Department (the District), Spinelli, CPA, P.C. has performed the procedures enumerated in the Summary of Procedures and Findings section, which follows, with respect to the District's compliance with the Massachusetts Department of Elementary and Secondary Education (DESE) End of Year Pupil and Financial Report (EOYR). Public school districts in Massachusetts are required to report financial and non-financial data annually to the DESE in the EOYR, in accordance with DESE Regulations on School Finance and Accountability (603 CMR 10.00). We have performed the procedures detailed in DESE's *Compliance Supplement for Massachusetts School Districts Agreed Upon Engagements: (Updated December 2018)*, which was issued in accordance with 603 CMR 10.00, in order to determine fiscal compliance with the DESE and filing of the EOYR. The procedures performed and the associated findings are described in the section which follows.

Our field work was conducted at the District's administrative offices located on Irving Street in Worcester, Massachusetts. Our contacts at the District were Brian E. Allen, Chief Financial Officer, Sara Consalvo, Budget Director, and Mohammed Siddiqui, Senior Financial Analyst.

The City of Worcester (the City) has a population of approximately 185,900. During the 2018-2019 school year, the Worcester Public Schools had approximately 25,400 full-time equivalent pupils, including approximately 11,000 elementary, 7,300 middle school and 7,100 senior high. The school department's general fund budget for fiscal 2018-2019 was \$345,058,676. Instructional staff includes approximately 1,860 full time teachers.

ACCOUNTING SYSTEM SUMMARY

End of Year Report information comes primarily from Excel based worksheets prepared by the budget office of the City of Worcester School Department. These worksheets translate information received from the City's Hera accounting system into the format required for state reporting. Separate worksheets exist for each of the various DESE functions reported on the EOYR. This is needed because of significant differences in the City's chart of accounts and DESE's reporting requirements.

Typically each amount reported on the EOYR for a given function is a combination of accounts from the City's system. In some cases, numerous accounts from the City's system had to be combined to determine the amount reported for a single DESE function.

DESE programs, within each function, were determined either by assignment of directly related costs, allocation of costs, or otherwise distributed costs, depending on the nature of the function, as explained in the detailed procedures that follow. The City's Hera system is maintained by the City Auditor's office. The District submits documentation supporting its expenditures to the City Auditor's office, which in turn reviews the information and posts transactions to the system. District personnel have the ability to query the system to generate basic reports, but do not post transactions.

**CITY OF WORCESTER SCHOOL DEPARTMENT
SPECIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019**

SCOPE AND OBJECTIVES

The scope of the agreed-upon procedures was to determine whether:

- Financial data reported on all EOYR schedules are traceable to the detail contained in the municipal or district accounting ledgers or records or to a documented methodology.
- Non-financial data reported on all EOYR schedules are traceable to the district's records or to a documented methodology.
- There are documented methodologies supporting the financial and other reported information contained in these schedules, whether these methodologies were followed, and whether the methodologies are reasonable.
- Internal controls exist to provide reasonable assurance that the revenues, expenditures and other data are accounted for consistent with Department regulations and guidelines.

The objective of the agreed-upon procedures was to review the City of Worcester School Department's records to determine whether required reports for Massachusetts School Districts include all activity of the reporting period, are supported by applicable accounting records, and are fairly presented in accordance with State requirements.

For all EOYR schedules containing information we:

- Ascertained if the financial information was prepared in accordance with the budgetary basis of accounting.
- Verified that amounts reported to accounting and other records that support the audited financial statements and verified agreement or performed alternative procedures to verify the accuracy and completeness of the reports and that they agree with the accounting records.
- Verified that the non-financial data agreed to the supporting records that accumulate and summarize the data.
- Performed tests of the underlying data to verify that the data was accumulated and summarized in accordance with the required or stated criteria and methodology, including the accuracy and completeness of the schedules. For Schedule 7, tested eligibility criteria for reimbursable riders.
- When intervening computations or calculations were required between the records and the schedules, traced reported data elements to supporting worksheets or other documentation that linked the schedules to the data.
- Determined if the District used an accounting system that provides for the reporting of all instructional costs by school location.

**CITY OF WORCESTER SCHOOL DEPARTMENT
SPECIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019**

SCOPE AND OBJECTIVES (Continued)

- Determined if the accounting system was supported by up-to-date written policies and procedures and that the policies and procedures were followed on a uniform and consistent basis.
- Determined if the district maintained written policies and procedures related to the classification of salaries and expenses by program, function and object and that the policies and procedures were followed on a uniform and consistent basis.
- Obtained a written representation from management that the reports provided to us were true copies of the EOYR submitted or electronically transmitted to the Department of Elementary and Secondary Education.

GENERAL COMPLIANCE REQUIREMENTS

Districts must use the standard financial reporting schedules contained in the End of Year Report. These schedules include financial and non-financial data. The financial information must be traceable to the accounting ledgers of the district or of the municipality or to a documented methodology. If a "crosswalk" exists between the municipal and district ledgers, this crosswalk should be documented. The non-financial information must be traceable to records or to a documented methodology that demonstrates the information was compiled from existing records. Each district must report income on the modified accrual basis and expenditures on the modified accrual plus encumbrance basis.

Each district must use an accounting system that provides for the reporting of all instructional costs by school location and is supported by up to date written policies and procedures. The policies and procedures are to be followed on a uniform and consistent basis.

Finding: The City has uniform and consistent procedures in place surrounding their accounting system and program manuals are documented as up-to-date.

SUMMARY OF PROCEDURES AND FINDINGS FOR SCHEDULE 1

Procedure 1:

We traced revenue from Local Sources reported on Schedule 1 to the City's accounting ledgers and the District's records. We also traced the revenue reported on the District's records to revenue reported on Schedule 1.

Finding 1:

Amounts reported on Schedule 1, block A, appear to be supported by the City's accounting ledgers, Hera reports and the District's records.

Procedure 2:

We traced the revenue from state aid, federal grants, state grants, and revolving and special funds to the detail in the District's records. We also traced the revenue reported on the District's records to revenue reported on Schedule 1.

**CITY OF WORCESTER SCHOOL DEPARTMENT
SPECIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019**

SUMMARY OF PROCEDURES AND FINDINGS FOR SCHEDULE 1 (Continued)

Finding 2:

Revenue amounts reported for state aid, federal grants, state grants, and revolving and special funds appear to agree to the detail in the District's records with the exception of prepopulated lines 300 and 510. These lines will be corrected by the Massachusetts DESE after report is filed.

Procedure 3:

We traced the amounts reported for general fund education expenditures from Schedule 1 line 1850 to the municipal accounting ledgers and to the District accounting ledgers. We also traced the expenditures reported on the District's records to expenditures reported on Schedule 1.

Finding 3:

General fund education expenditure totals as reported on Schedule 1 line 1850 were supported by the District's records.

Procedure 4:

We traced the amounts reported for a sample of DESE functions, State Objects, and other DESE programs in Schedule 1 to the detail in the accounting ledgers, or to the crosswalk, if applicable.

Finding 4:

The amounts reported on the EOYR that were selected for testing were supported by the District's records and the City's accounting ledgers. The DESE functions that were sampled were also traced to District account details.

Procedure 5:

We tested Extraordinary Maintenance expenditures for the following: Verify that expenditures did not include salaries; verify that the expenditures included applicable principal portions of a loan or the cost of a lease/purchase agreement; verify that expenditures classified as Extraordinary Maintenance (4300) did not exceed the per project dollar limit for extraordinary maintenance (\$150,000); and trace the expenditures to the detail in the accounting ledgers.

Finding 5:

There was no extraordinary maintenance expense during the year ended June 30, 2019. Extraordinary maintenance expenditures (4300) as reported by the Worcester Public Schools appear to be in compliance with DESE requirements.

Procedure 6:

We determined how expenditures for fringe benefits were assigned or allocated to Schedule 1 Employee Benefits and Insurance (5100, 5200). We traced the reported cost to the detail in the District's records using the methodology indicated. We determined if expenses were charged to 5150 Employee Separation Costs. We determined if the District reported Insurance for Retired Employees (5250 and 5260) separately and appropriately.

Finding 6:

It appears that the District is properly reporting the fringe benefits and properly segregating those benefits paid to retired employees per the compliance requirements.

**CITY OF WORCESTER SCHOOL DEPARTMENT
SPECIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019**

SUMMARY OF PROCEDURES AND FINDINGS FOR SCHEDULE 1 (Continued)

Procedure 7:

We verified that expenditures charged to Lines 1683 and 2060 – Short-term Interest (5400) related exclusively to Revenue Anticipation Notes (RAN's).

Finding 7:

The EOYR does not include any amounts for debt services charged to Line(s) 1683 and 2060 - Short-term Interest (5400).

Procedure 8:

We verified that expenditures charged to Lines 1684 and 2065 – Short-term Interest – BAN's (5450) related exclusively to Bond Anticipation Notes (BAN's).

Finding 8:

The EOYR does not include any amount on Line 1684 - Short-term Interest – BAN's (5450). Expenditures charged to Line 2065 – Short-term Interest – BAN's (5450) as reported by the Worcester Public Schools relate exclusively to Bond Anticipation Notes (BAN's).

Procedure 9:

We identified expenditures reported as long-term School Construction debt for principal (8100) and interest (8200) and verified that bond anticipation notes were not included in these functions. We traced the reported costs to the Treasurer's debt schedule. We traced the reported amount to the detail in the accounting ledgers. Note: If the District received a lump sum wait list or progress payment from Massachusetts School Building Authority, we verified that the revenue was reported on line 130 and that expenses were reported for pay down of principal (8100), or Purchase of Land and Buildings (7100, 7200), if applicable.

Finding 9:

The EOYR expenditures reported as long-term School Construction debt for principal (8100) and interest (8200) were supported by the District's records and appear to be in compliance with DESE requirements.

Procedure 10:

We traced the expenditures for tuition payments: to other 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. Note: If the district prepaid FY'20 Special Education Tuition, verify prepaid tuition was not included as an FY'19 expense. If the District prepaid FY'19 tuition from FY'18, that amount should be included as an FY'19 expense.

Finding 10:

Reported expenditures for tuition payments tested agreed to the City's accounting ledgers and were supported by the District's records. We verified that the District did not have any prepaid tuition.

**CITY OF WORCESTER SCHOOL DEPARTMENT
SPECIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019**

SUMMARY OF PROCEDURES AND FINDINGS FOR SCHEDULE 1 (Continued)

Procedure 11:

For municipal expenditures that result in services directly related to the school committee we obtained 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. We tested the amounts reported using the documented methodology.

Finding 11:

Methodology was reviewed during the testing of Schedules 1 and 19. It appears that the City has properly allocated municipal expenditures in accordance with the agreement between the School Committee and Municipal officials.

Procedure 12:

We traced the expenditures from Federal Grants, State Grants and Special Funds and determined if the district charged a restricted indirect rate to grants and we traced amounts claimed as Circuit Breaker expenses on line 3080, column 7 to the accounting ledgers or journals.

Finding 12:

The amounts reported appear to be supported by the District's accounting records. We were able to agree the amounts reported on line 3080, column 1 through 6, to the City's accounting records and District records, as well as the Circuit Breaker expenses on line 3080, column 7 agreed to the City's accounting ledgers and District records. We noted that indirect costs are charged to grants at a rate of 2% for the grants that allow for indirect charges according to the District's annual budget.

SUMMARY OF PROCEDURES AND FINDINGS FOR SCHEDULE 3

Procedure 13:

We traced the amounts reported by school location on the linked file to the accounting ledgers. We determined if the District maintained a payroll system or spreadsheet to document the assignment of staff salaries by school location. We determined the allocation was supported by a documented methodology. We determined for non-salary expenditures the District maintained a documented methodology for consistency in application and the allocations are acceptable. We ensured amounts reported as District-wide cannot be assigned to a specific school.

Finding 13:

The expenditures reported on Schedule 3 agree to the DESE functions detailed on Schedule 1 for all items tested. The expenditures agreed to the City's accounting ledgers and were supported by the District's account details. The District maintains a payroll system that breaks items down by pay code and assigns the staff salaries by school location. The methodology used is consistent and the allocations are acceptable.

**CITY OF WORCESTER SCHOOL DEPARTMENT
SPECIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019**

SUMMARY OF PROCEDURES AND FINDINGS FOR SCHEDULE 3 (Continued)

Supervisory Costs:

These costs are based on the duties performed per position and payroll reports. Other expenditures represent assignment of direct costs for special education consultants. The stated methodologies appeared to be applied appropriately and consistently.

Teaching Costs:

These costs are determined by teachers' individual disciplines within the school, which is most often determined by their area of certification. This information is obtained from bi-weekly payroll reports which have cost center codes for both teaching level and discipline. Other expenditures represent direct costs to teaching as reported by the schools and the City's accounting ledgers.

Guidance and Psychological Costs:

These costs consist entirely of salary expenditures. The Special Education Director, Manager of Student Support Services and Bilingual Director work out percentages that form the basis for allocating these costs. For the year under review, the percentages were as follows:

	<u>Guidance</u>	<u>Psychological</u>
Regular	60%	60%
Special Education	40%	40%

Percentages were confirmed by recalculating selected Schedule 1 and Schedule 3 amounts. The stated methodologies appeared to be applied appropriately and consistently.

SUMMARY OF PROCEDURES AND FINDINGS FOR SCHEDULE 4

Procedure 14:

We ascertained the methodology used to allocate, distribute or assign Special Education costs to the placement on Schedule 4 and reviewed the propriety of the methodology. We tested the amounts reported on Schedule 4 using this methodology.

Finding 14:

Instructional services were allocated based on percentages supplied by the Special Education Director using professional judgment. Payments to districts were allocated based on tuition expenditures furnished by the Special Education Director. Based on our tests, it appears that the allocation of Special Education costs to prototypes agreed to the percentages determined by the Special Education Director. We determined that amounts tested agreed to the City's accounting ledgers and were supported by the District records.

**CITY OF WORCESTER SCHOOL DEPARTMENT
SPECIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019**

SUMMARY OF PROCEDURES AND FINDINGS FOR SCHEDULE 7

Procedure 15:

We traced the transportation expenditures reported on Schedule 7 to the transportation expenditures reported on Schedule 1. We determined the methodology used to allocate transportation expenditures on Schedule 7 and verified the accuracy of the allocations.

Finding 15:

Transportation expenditures were allocated based on pupil headcounts. The amounts tested on Schedule 7 were supported by District records and agreed to the City's accounting ledgers. All numbers were traced to the EOYR without exception.

Procedure 16:

We traced the pupils reported on Schedule 7 to the detailed transportation records and verified that the amounts reported on Schedule 7 are accurate and consistent with the detailed records.

Finding 16:

The number of pupils and the amounts reported on Schedule 7 agreed to the detailed transportation records and were supported by the City's accounting ledgers and the District's records.

Procedure 17:

We determined that the District's accounting records separate costs in order to facilitate reporting as outlined in Schedule 7 (In or Out of District, Pre-School, Non-Public, School Choice and Charter School). We determined reimbursable expenditures reported on Line 4285 (Homeless To Outside the District) and Line 4285 (Homeless From Outside the District) were supported by adequate documentation. We determined foster care transportation was not claimed as homeless. We reviewed the propriety of the cost allocation plan and tested the expenditures reported.

Finding 17:

Based on our testing of the EOYR, we determined that the accounting system separately accounts for each of the school locations and they can be easily separated out based on the type of cost. We were able to agree the amounts reported on Lines 4283 and 4285 to the City's accounting ledgers and District's records. We determined foster care transportation was not claimed as homeless.

SUMMARY OF PROCEDURES AND FINDINGS FOR SCHEDULE 19

Procedure 18:

We determined if the School District has reported all changes to Schedule 19 Part A.1 – Appropriation by School Committee to the ESE. We compared the final School Committee Appropriation to Schedule 19 Part A.1 as filed/amended and determined if all changes were reported.

**CITY OF WORCESTER SCHOOL DEPARTMENT
SPECIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019**

SUMMARY OF PROCEDURES AND FINDINGS FOR SCHEDULE 19 (Continued)

Finding 18:

Based on a review of the final School Committee Appropriation and Schedule 19, we determined that the District reported all changes to Schedule 19, Part A.1, and that it reflects the final School Committee Appropriation.

Procedure 19:

We determined the amounts budgeted in Schedule 19 Part A.2 are consistent with methodologies outlined in the agreement noted in MA DESE Compliance Supplement procedure II A.4.a.

Finding 19:

Based on an evaluation of the final School Committee Appropriation and Schedule 19, we determined the amounts budgeted in Schedule 19 Part A.2 are consistent with methodologies outlined in the agreement noted in MA DESE Compliance Supplement procedure II A.4.a.

Procedure 20:

We determined that retiree health insurance (5250) is reported separately.

Finding 20:

We were able to agree the amounts reported for retiree health insurance (5250) to the City's accounting ledgers and District records and noted that it is reported separately.

CITY OF WORCESTER SCHOOL DEPARTMENT
INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2020

CITY OF WORCESTER SCHOOL DEPARTMENT

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**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Superintendent of Schools
City of Worcester
Worcester, MA

We have performed the procedures enumerated in the accompanying Summary of Procedures and Findings section of the Special Report that follows and is incorporated by reference herein, which were agreed to by the City of Worcester School Department (the District), on evaluating if the District completely and thoroughly prepared and filed the Department of Secondary and Elementary Education annual End of Year Pupil and Financial Report for the year ended June 30, 2020. The City of Worcester's (the City) management is responsible for their accounting records. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described in the accompanying Summary of Procedures and Findings section that follows either for the purpose for which this report has been requested or for any other purpose.

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This report is intended solely for the information and use of the City of Worcester School Department and governmental users of the End of Year Report, and is not intended to be and should not be used by anyone other than these specified parties.

Spinelli CPA, PC

Worcester, MA
January 6, 2020

**CITY OF WORCESTER SCHOOL DEPARTMENT
SPECIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020**

INTRODUCTION AND BACKGROUND

In accordance with a contract with the City of Worcester School Department (the District), Spinelli, CPA, P.C. has performed the procedures enumerated in the Summary of Procedures and Findings section, which follows, with respect to the District's compliance with the Massachusetts Department of Elementary and Secondary Education (DESE) End of Year Pupil and Financial Report (EOYR). Public school districts in Massachusetts are required to report financial and non-financial data annually to the DESE in the EOYR, in accordance with DESE Regulations on School Finance and Accountability (603 CMR 10.00). We have performed the procedures detailed in DESE's *Compliance Supplement for Massachusetts School Districts Agreed Upon Engagements: (Updated December 2019)*, which was issued in accordance with 603 CMR 10.00, in order to determine fiscal compliance with the DESE and filing of the EOYR. The procedures performed and the associated findings are described in the section which follows.

Our field work was conducted at the District's administrative offices located on Irving Street in Worcester, Massachusetts. Our contacts at the District were Brian E. Allen, Chief Financial Officer, Sara Consalvo, Budget Director, and Mohammed Siddiqui, Senior Financial Analyst.

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ACCOUNTING SYSTEM SUMMARY

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**CITY OF WORCESTER SCHOOL DEPARTMENT
SPECIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020**

SCOPE AND OBJECTIVES

The scope of the agreed-upon procedures was to determine whether:

- Financial data reported on all EOYR schedules are traceable to the detail contained in the municipal or district accounting ledgers or records or to a documented methodology.
- Non-financial data reported on all EOYR schedules are traceable to the district's records or to a documented methodology.
- There are documented methodologies supporting the financial and other reported information contained in these schedules, whether these methodologies were followed, and whether the methodologies are reasonable.
- Internal controls exist to provide reasonable assurance that the revenues, expenditures and other data are accounted for consistent with Department regulations and guidelines.

The objective of the agreed-upon procedures was to review the City of Worcester School Department's records to determine whether required reports for Massachusetts School Districts include all activity of the reporting period, are supported by applicable accounting records, and are fairly presented in accordance with State requirements.

For all EOYR schedules containing information we:

- Ascertained if the financial information was prepared in accordance with the budgetary basis of accounting.
- Verified that amounts reported to accounting and other records that support the audited financial statements and verified agreement or performed alternative procedures to verify the accuracy and completeness of the reports and that they agree with the accounting records.
- Verified that the non-financial data agreed to the supporting records that accumulate and summarize the data.
- Performed tests of the underlying data to verify that the data was accumulated and summarized in accordance with the required or stated criteria and methodology, including the accuracy and completeness of the schedules. For Schedule 7, tested eligibility criteria for reimbursable riders.
- When intervening computations or calculations were required between the records and the schedules, traced reported data elements to supporting worksheets or other documentation that linked the schedules to the data.
- Determined if the District used an accounting system that provides for the reporting of all instructional costs by school location.

**CITY OF WORCESTER SCHOOL DEPARTMENT
SPECIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020**

SCOPE AND OBJECTIVES (Continued)

- Determined if the accounting system was supported by up-to-date written policies and procedures and that the policies and procedures were followed on a uniform and consistent basis.
- Determined if the district maintained written policies and procedures related to the classification of salaries and expenses by program, function and object and that the policies and procedures were followed on a uniform and consistent basis.
- Obtained a written representation from management that the reports provided to us were true copies of the EOYR submitted or electronically transmitted to the Department of Elementary and Secondary Education.

GENERAL COMPLIANCE REQUIREMENTS

Districts must use the standard financial reporting schedules contained in the End of Year Report. These schedules include financial and non-financial data. The financial information must be traceable to the accounting ledgers of the district or of the municipality or to a documented methodology. If a "crosswalk" exists between the municipal and district ledgers, this crosswalk should be documented. The non-financial information must be traceable to records or to a documented methodology that demonstrates the information was compiled from existing records. Each district must report income on the modified accrual basis and expenditures on the modified accrual plus encumbrance basis.

Each district must use an accounting system that provides for the reporting of all instructional costs by school location and is supported by up to date written policies and procedures. The policies and procedures are to be followed on a uniform and consistent basis.

Finding: The City has uniform and consistent procedures in place surrounding their accounting system and program manuals are documented as up-to-date.

SUMMARY OF PROCEDURES AND FINDINGS FOR SCHEDULE 1

Procedure 1:

We traced revenue from Local Sources reported on Schedule 1 to the City's accounting ledgers and the District's records. We also traced the revenue reported on the District's records to revenue reported on Schedule 1.

Finding 1:

Amounts reported on Schedule 1, block A, appear to be supported by the City's accounting ledgers, Hera reports and the District's records.

Procedure 2:

We traced the revenue from state aid, federal grants, state grants, and revolving and special funds to the detail in the District's records. We also traced the revenue reported on the District's records to revenue reported on Schedule 1.

**CITY OF WORCESTER SCHOOL DEPARTMENT
SPECIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020**

SUMMARY OF PROCEDURES AND FINDINGS FOR SCHEDULE 1 (Continued)

Finding 2:

Revenue amounts reported for state aid, federal grants, state grants, and revolving and special funds appear to agree to the detail in the District's records with the exception of the following:

Amounts reported on the EOYR for School Aid (Chapter 70) line 125 do not tie to the district accounting records. City of Worcester records report an amount \$40,813 more than line 125 on the EOYR.

Prepopulated amount received from the Commonwealth for circuit breaker line 180 do not tie to the district accounting records. District records report an amount \$439 more than prepopulated line 180 on the EOYR. After contacting DESE, Worcester was allocated the additional amount during the fiscal close process and amount was not reflected in the workbook.

The crosswalk reviewed for Revenue from Revolving Funds with balance forward does not tie to District account records due to additional transactions processed from the City of Worcester after the crosswalk was completed.

Amounts will be amended.

Procedure 3:

We traced the amounts reported for general fund education expenditures from Schedule 1 line 1850 to the municipal accounting ledgers and to the District accounting ledgers. We also traced the expenditures reported on the District's records to expenditures reported on Schedule 1.

Finding 3:

General fund education expenditure totals as reported on Schedule 1 line 1850 were supported by the District's records.

Procedure 4:

We traced the amounts reported for a sample of DESE functions, State Objects, and other DESE programs in Schedule 1 to the detail in the accounting ledgers, or to the crosswalk, if applicable.

Finding 4:

The amounts reported on the EOYR that were selected for testing were supported by the District's records and the City's accounting ledgers. The DESE functions that were sampled were also traced to District account details.

Procedure 5:

We tested Extraordinary Maintenance expenditures for the following: Verify that expenditures did not include salaries; verify that the expenditures included applicable principal portions of a loan or the cost of a lease/purchase agreement; verify that expenditures classified as Extraordinary Maintenance (4300) did not exceed the per project dollar limit for extraordinary maintenance (\$150,000); and trace the expenditures to the detail in the accounting ledgers.

**CITY OF WORCESTER SCHOOL DEPARTMENT
SPECIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020**

SUMMARY OF PROCEDURES AND FINDINGS FOR SCHEDULE 1 (Continued)

Finding 5:

There was no extraordinary maintenance expense during the year ended June 30, 2020. Extraordinary maintenance expenditures (4300) as reported by the Worcester Public Schools appear to be in compliance with DESE requirements.

Procedure 6:

We determined how expenditures for fringe benefits were assigned or allocated to Schedule 1 Employee Benefits and Insurance (5100, 5200). We traced the reported cost to the detail in the District's records using the methodology indicated. We determined if expenses were charged to 5150 Employee Separation Costs. We determined if the District reported Insurance for Retired Employees (5250 and 5260) separately and appropriately.

Finding 6:

It appears that the District is properly reporting the fringe benefits and properly segregating those benefits paid to retired employees per the compliance requirements.

Procedure 7:

We verified that expenditures charged to Lines 1683 and 2060 – Short-term Interest (5400) related exclusively to Revenue Anticipation Notes (RAN's).

Finding 7:

The EOYR does not include any amounts for debt services charged to Line(s) 1683 and 2060 - Short-term Interest (5400).

Procedure 8:

We verified that expenditures charged to Lines 1684 and 2065 – Short-term Interest – BAN's (5450) related exclusively to Bond Anticipation Notes (BAN's).

Finding 8:

The EOYR does not include any amount on Line 1684 - Short-term Interest – BAN's (5450). Expenditures charged to Line 2065 – Short-term Interest – BAN's (5450) as reported by the Worcester Public Schools relate exclusively to Bond Anticipation Notes (BAN's).

Procedure 9:

We identified expenditures reported as long-term School Construction debt for principal (8100) and interest (8200) and verified that bond anticipation notes were not included in these functions. We traced the reported costs to the Treasurer's debt schedule. We traced the reported amount to the detail in the accounting ledgers. Note: If the District received a lump sum wait list or progress payment from Massachusetts School Building Authority, we verified that the revenue was reported on line 130 and that expenses were reported for pay down of principal (8100), or Purchase of Land and Buildings (7100, 7200), if applicable.

**CITY OF WORCESTER SCHOOL DEPARTMENT
SPECIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020**

SUMMARY OF PROCEDURES AND FINDINGS FOR SCHEDULE 1 (Continued)

Finding 9:

The EOYR expenditures reported as long-term School Construction debt for principal (8100) and interest (8200) were supported by the District's records and appear to be in compliance with DESE requirements.

Procedure 10:

We traced the expenditures for tuition payments: to other 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. Note: If the district prepaid FY'21 Special Education Tuition, verify prepaid tuition was not included as an FY'20 expense. If the District prepaid FY'20 tuition from FY'19, that amount should be included as an FY'20 expense.

Finding 10:

There is no line item for assessments to member regional school districts (9500) in the EOYR. Reported expenditures for tuition payments tested agreed to the City's accounting ledgers and were supported by the District's records. We verified that the District did not have any prepaid tuition.

Procedure 11:

For municipal expenditures that result in services directly related to the school committee we obtained 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. We tested the amounts reported using the documented methodology.

Finding 11:

Methodology was reviewed during the testing of Schedules 1 and 19. It appears that the City has properly allocated municipal expenditures in accordance with the agreement between the School Committee and Municipal officials.

Procedure 12:

We traced the expenditures from Federal Grants, State Grants and Special Funds and determined if the district charged a restricted indirect rate to grants and we traced amounts claimed as Circuit Breaker expenses on line 3080, column 7 to the accounting ledgers or journals.

Finding 12:

The amounts reported on line 3080, column 1 through 6 appear to be supported by the City's accounting records and District records. We noted that indirect costs are charged to grants at a rate of 2% for the grants that allow for indirect charges according to the District's annual budget.

**CITY OF WORCESTER SCHOOL DEPARTMENT
SPECIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020**

SUMMARY OF PROCEDURES AND FINDINGS FOR SCHEDULE 1 (Continued)

The amount reported for the Circuit Breaker expenses on line 3080, column 7 did not agree to the City's accounting ledgers and District records. The City's accounting ledger and district report reflected \$3,558,997. The City Auditor's records and the EOYR reflected \$3,541,771. It appears The City Auditor's records and the EOYR does not include the correction of the indirect cost on 06/28/19 & 08/02/20 in the amount of -\$17,226.18. The amount will be amended.

SUMMARY OF PROCEDURES AND FINDINGS FOR SCHEDULE 3

Procedure 13:

We traced the amounts reported by school location on the linked file to the accounting ledgers. We determined if the District maintained a payroll system or spreadsheet to document the assignment of staff salaries by school location. We determined the allocation was supported by a documented methodology. We determined for non-salary expenditures the District maintained a documented methodology for consistency in application and the allocations are acceptable. We ensured amounts reported as District-wide cannot be assigned to a specific school.

Finding 13:

The expenditures reported on Schedule 3 agree to the DESE functions detailed on Schedule 1 for all items tested. The expenditures agreed to the City's accounting ledgers and were supported by the District's account details. The District maintains a payroll system that breaks items down by pay code and assigns the staff salaries by school location. The methodology used is consistent and the allocations are acceptable.

Supervisory Costs:

These costs are based on the duties performed per position and payroll reports. Other expenditures represent assignment of direct costs for special education consultants. The stated methodologies appeared to be applied appropriately and consistently.

Teaching Costs:

These costs are determined by teachers' individual disciplines within the school, which is most often determined by their area of certification. This information is obtained from bi-weekly payroll reports which have cost center codes for both teaching level and discipline. Other expenditures represent direct costs to teaching as reported by the schools and the City's accounting ledgers.

Guidance and Psychological Costs:

These costs consist entirely of salary expenditures. The Special Education Director, Manager of Student Support Services and Bilingual Director work out the percentages that form the basis for allocating these costs. For the year under review, the percentages were as follows:

	<u>Guidance</u>	<u>Psychological</u>
Regular	60%	60%
Special Education	40%	40%

**CITY OF WORCESTER SCHOOL DEPARTMENT
SPECIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020**

Percentages were confirmed by recalculating selected Schedule 1 and Schedule 3 amounts. The stated methodologies appeared to be applied appropriately and consistently.

SUMMARY OF PROCEDURES AND FINDINGS FOR SCHEDULE 4

Procedure 14:

We ascertained the methodology used to allocate, distribute or assign Special Education costs to the placement on Schedule 4 and reviewed the propriety of the methodology. We tested the amounts reported on Schedule 4 using this methodology.

Finding 14:

Instructional services were allocated based on percentages supplied by the Special Education Director using professional judgment. Payments to districts were allocated based on tuition expenditures furnished by the Special Education Director. Based on our tests, it appears that the allocation of Special Education costs to prototypes agreed to the percentages determined by the Special Education Director. We determined that amounts tested agreed to the City's accounting ledgers and were supported by the District records.

SUMMARY OF PROCEDURES AND FINDINGS FOR SCHEDULE 7

Procedure 15:

We traced the transportation expenditures reported on Schedule 7 to the transportation expenditures reported on Schedule 1. We determined the methodology used to allocate transportation expenditures on Schedule 7 and verified the accuracy of the allocations.

Finding 15:

Transportation expenditures were allocated based on pupil headcounts. The amounts tested on Schedule 7 were supported by District records and agreed to the City's accounting ledgers. All numbers were traced to the EOYR without exception.

Procedure 16:

We determined if there was adequate detail to support amounts reported (expenses and riders) for special Education Pupils transported outside the district.

Finding 16:

There was adequate detailed support for amounts reported for Special Education pupils transported outside the district.

Procedure 17:

We traced the pupils reported on Schedule 7 to the detailed transportation records and verified that the amounts reported on Schedule 7 are accurate and consistent with the detailed records.

Finding 17:

The number of pupils and the amounts reported on Schedule 7 agreed to the detailed transportation records and were supported by the City's accounting ledgers and the District's records.

**CITY OF WORCESTER SCHOOL DEPARTMENT
SPECIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020**

Procedure 18:

We determined that the District's accounting records separate costs in order to facilitate reporting as outlined in Schedule 7 (In or Out of District, Pre-School, Non-Public, School Choice and Charter School). We determined reimbursable expenditures reported on Line 4283 (Homeless to outside the District) and Line 4285 (Homeless from outside the District) were supported by adequate documentation. We determined foster care transportation was not claimed as homeless and is reported appropriately on line 4286. We reviewed the propriety of the cost allocation plan and tested the expenditures reported.

Finding 18:

Based on our testing of the EOYR, we determined that the accounting system separately accounts for each of the school locations and they can be easily separated out based on the type of cost. We were able to agree the amounts reported on Lines 4283 and 4285 to the City's accounting ledgers and District's records. We determined foster care transportation was not claimed as homeless and is reported appropriately in Line 4286.

SUMMARY OF PROCEDURES AND FINDINGS FOR SCHEDULE 19

Procedure 19:

We determined if the School District has reported all changes to Schedule 19 Part A.1 – Appropriation by School Committee to the ESE. We compared the final School Committee Appropriation to Schedule 19 Part A.1 as filed/amended and determined if all changes were reported.

Finding 19:

Based on a review of the final School Committee Appropriation and Schedule 19, we determined that the District reported all changes to Schedule 19, Part A.1, and that it reflects the final School Committee Appropriation.

Procedure 20:

We determined the amounts budgeted in Schedule 19 Part A.2 are consistent with methodologies outlined in the agreement noted in MA DESE Compliance Supplement procedure II A.4.a.

Finding 20:

Based on an evaluation of the final School Committee Appropriation and Schedule 19, we determined the amounts budgeted in Schedule 19 Part A.2 are consistent with methodologies outlined in the agreement noted in MA DESE Compliance Supplement procedure II A.4.a.

Procedure 21:

We determined that retiree health insurance (5250) is reported separately.

Finding 21:

We were able to agree the amounts reported for retiree health insurance (5250) to the City's accounting ledgers and District records and noted that it is reported separately.

ITEM: ROS #0-6

STANDING COMMITTEE: FINANCE AND OPERATIONS

DATE OF MEETING: Monday, April 12, 2021

ITEM: Administration (May 15, 2020)

UPDATE ON THE STUDENT INFORMATION SYSTEM (SIS) PROCUREMENT PROJECT – Center for Educational Leadership and Technology (CELT)

PRIOR ACTION:

5-21-20 - Bob Walton, Information Technology Officer, provided background on the current SAGE software which has gone from 300 staff and students to over 40,000. The Administration sought input from principals, parents, students, staff and community which lead to the hiring of a consultant from CELT (Center for Educational Leadership and Technology). He introduced Dr. John Phillip, Founder and Executive Director of CELT to present the PowerPoint.

Dr. Phillip stated that he was impressed by the positive school culture in the WPS which is a critical factor in the success of upgrading to a new system. He remarked that the interest from parents and students, who are part of the focus groups, was crucial. He said that the new SIS would provide a more streamlined point of entry for users and more consistent data, as well as new features that the SAGE system does not have.

Mr. Monfredo stated that this is long overdue and it is time to move forward.

Ms. Novick questioned the Administration's decision to hire a consultant rather than an internal employee.

Mr. Walton stated that although the plan was to initiate on-line grading, that would only be for a short period of time.

Ms. Novick requested a breakdown in cost to implement the system. She checked the section under the FY20 budget Non-Instructional Support Salaries and there was a half year position that had been added. There was no discussion with the School Committee about this process being changed. She also requested a further description of the islands.

Mayor Petty requested that the item be referred to the Standing Committee on Finance and Operations for further discussion.

Superintendent Binienda stated that the SIS is really needed and asked that the process not be held up.

On a roll call of 7-0, the item was referred to the Standing Committee on Finance and Operations.

BACKUP: Annex A (1 page) contains the Re-Bid Schedule for RFP

PRIOR ACTION (continued)

6-11-20 - STANDING COMMITTEE ON FINANCE AND OPERATIONS

Mr. Foley stated that he was sure that the School Committee members are in support of a new Student Information System (SIS) and wish to discuss the following:

- the hiring of an SIS consultant
- the cost factor for this year and next year and
- information regarding training

Mr. Allen stated that information was provided regarding a projected 5-year Budget plan for the SIS.

The Center for Educational Leadership and Technology (CELT) consulting firm has been working with the following stakeholder groups to gather input from:

- students
- parents
- classroom teachers
- school principals/assistant principals
- district Administrators and support staff
- School Committee and community members

The new SIS will:

- improve the use of data to guide and inform student learning anywhere and at anytime.
- be much more user-friendly and intuitive.
- become the cornerstone of WPS' data management architecture.
- increase the use of data to improve decision-making and redirect costs.
- support more contemporary education reforms and post-COVID19 data management needs.
- encourage data use by parents, teachers, and students.
- streamline State and Federal reporting requirements.

The following proposed timeline for the implementation of the SIS is as follows but will need to be adjusted, due to the pandemic:

- Planning and Orientation March – April 2020
- Data Collection and Needs Analysis - April – May 2020
- Draft & Vet Functional Requirements and Bid Specifications May 26 – June 12, 2020
- Advertise & Circulate RFP June 15 – July 10, 2020
- Evaluate RFP Responses Jul 13 – July 24, 2020
- Vendor Demonstrations and Reference Checks – Aug. 3 – Aug. 7, 2020
- Vendor Selection – Aug. 10 – Aug. 14, 2020
- Develop/Negotiate Contract Aug. 17 – Aug. 21, 2020
- Plan/Conduct Implementation – Aug. 24, 2020 – Dec. 17, 2021

Mr. Walton discussed the following spreadsheet regarding the proposed 5-year financial impact that the SIS will have on the system. He stated that the larger expenses will be during the first 2 years at approximately ten dollars per student per year which averages out to be \$250,000 for 2 years.

WORKING DRAFT

Cost Estimates for SIS Needs Analysis, Procurement, and Implementation

No.	TASK	Cost/Student	Year 1	Year 2	Year 3	Year 4	Year 5
Core SIS Services							
1.0	SIS Software License, Hosting, Updates and Backup Services	9.00	225,000	225,000	225,000	225,000	225,000
2.0	Data Migration/Conversion	1.00	25,000	0	0	0	0
3.0	Configuration of API Environment	1.00	25,000	0	0	0	0
4.0	Customization and Report Allowance	1.00	25,000	5,000	5,000	5,000	5,000
5.0	QA Test Environment	0.25	6,250	0	0	0	0
6.0	Implementation Management (Vendor)	0.50	6,250	6,250	0	0	0
7.0	Training and Support	4.00	50,000	25,000	12,500	12,500	10,000
	7.1 End User Training						
	7.2 Train the Trainer Program						
	7.3 Training Documentation and Video Archives						
	7.4 Training Updates						
	SUB TOTAL		362,500	261,250	242,500	242,500	240,000
	SUB COST PER STUDENT		14.50	10.45	9.70	9.70	9.60
Best Practice SIS Services							
8.0	Process Improvement and Management	2.00	25,000	25,000	0	0	0
9.0	Data Governance and Management	2.00	25,000	25,000	0	0	0
10.0	Project Management and Oversight (CELT)	1.75	43,750	43,750	0	0	0
11.0	Change Management	0.50	12,500	0	0	0	0
12.0	Legal Contract Review	0.10	2,500	0	0	0	0
13.0	HR/Organizational Development Assistance	0.50		12,500	0	0	0
14.0	Enterprise Data Management Architecture	0.50		12,500	0	0	0
15.0	Data Analytics and Visualization Tools	3.00		75,000			
	SUB TOTAL		108,750	199,750	0	0	0
	SUB COST PER STUDENT		4.35	7.75			
	TOTAL	0.00	471,250	455,000	242,500	242,500	240,000
	TOTAL COST PER STUDENT		18.85	18.20	9.70	9.70	9.60

PRIOR ACTION (continued)

6-11-20 - STANDING COMMITTEE ON FINANCE AND OPERATIONS

Mr. Foley asked for the cost of the consultant's fee with CELT.

Mr. Walton responded that it would be approximately \$89,000.

Mr. Foley asked if there would be any offset savings by not using SAGE and would the system need to buy additional hardware to run the new system.

Mr. Walton stated that there would be no savings in the personnel section but there would be about a \$25,000 to \$40,000 per year savings in the infrastructure section. He further stated that there would be no additional cost for hardware due to the fact that the new system would all be Cloud based.

Ms. McCullough asked why the spreadsheet reflects a downward trend to \$10,000 in year 5.

Mr. Walton responded that it was due to the fact that the system's trainers will be training others on the SIS.

Miss Biancheria inquired as to what the greatest challenge will be in the development of the new SIS system.

Mr. Walton stated that one of the greatest challenges will be the migration of all the students' information into the new system. He also indicated that the other challenge would be the long-term training.

PRIOR ACTION (continued)

6-11-20 - STANDING COMMITTEE ON FINANCE AND OPERATIONS

Ms. Kyriazis discussed some of the elements that are part of a comprehensive SIS training and support program.

Ms. Novick requested a copy of the Cost Estimates for SIS Needs Analysis, Procurement, and Implementation spreadsheet and further requested what the Administration expects as an increase year to year with the new SIS.

Mr. Walton stated that after the 5-year contract is up, the estimated increase could be from 5% to 10% but the Administration would negotiate the increase with the vendor.

Ms. Novick asked if there was a cost benefit analysis done

Mr. Walton stated that the SIS Committee had done a cost analysis. If the system were to upgrade SAGE, the estimated cost would be around \$700,000 to \$800,000 in staffing. The Administration would have to hire 3 additional Developers, one Graphic Designer, one Usability Designer, a Project Manager/Business Analyst and a Security Officer. It would take 24 months to do this and would be more expensive and not have all the features that a new SIS would have.

Mr. Dumphy, Co-chair of the CPPAC, stated that the community fully supports the SIS system.

Superintendent Binienda stated that the system is in need of an updated SIS system and fully supports moving forward. She stated that the research and time that went into the searching for the best system was a long process.

Miss Biancheria made the following motion:

Request that the Administration provide a report on the timeline for the training that would occur for the transition from Sage to the new SIS.

On a roll call of 3-0, the motion was approved.

Mr. Foley and Miss Biancheria made the following motion:

Request that the Administration provide quarterly updates on the SIS beginning in September to include where we stand in the entire process, the number of vendors that bid, the hiring of a vendor and the product selected.

On a roll call of 3-0, the motion was approved.

6-18-20 - SCHOOL COMMITTEE MEETING - The School Committee approved the action of the Standing Committee as stated.

11-17-20 - STANDING COMMITTEE ON FINANCE AND OPERATIONS

Mr. Walton stated that the city is in the process of preparing a cost proposal.

Mrs. Kyriazis stated that a presentation for a full recommendation will be presented at the School Committee meeting on Thursday, December 17, 2020.

On a roll call of 3-0, the item was held.

12-3-20 - SCHOOL COMMITTEE MEETING – The School Committee approved the action of the Standing Committee as stated.



Re-Bid Schedule for RFP

Step No.	Activity	
1.	Re-set milestones and timeline for WPS/SIS rebid	1/25/2021
2.	Change RFP dates and update bid specifications	2/1 – 2/5, 2021
3.	Release the RFP to the City of Worcester	2/8/2021
4.	Issue and post WPS/SIS rebid	2/17/2021
5.	Conduct bidder’s conference via webinar	2/24/2021
6.	Deadline for Vendor Inquiries	2/26/2021
7.	Post responses to vendor questions and discussion from bidder's conference/webinar	3/2/2021
8.	Proposals due to the City of Worcester	3/17/2021
9.	Review and compile the RFP submissions	3/22/2021
10.	Proposals prepared for distribution to WPS Selection Committee	3/23/2021
11.	Proposals reviewed and scored by the WPS Selection Committee	3/24–3/30, 2021
12.	Selection Committee Members meet to select the most qualified and responsive vendors	4/2/2021
13.	Notification of SIS vendor finalist by the City of Worcester procurement office	4/6/2021
14.	Schedule and conduct 2-hour vendor demonstrations	4/14 – 4/15, 2021
15.	Conduct reference checks	4/20 – 4/22, 2021
16.	Review cost proposals and facilitate process for the final selection by the WPS selection committee	4/27 – 4/28, 2021
17.	Prepare bid award recommendation packet for the School Board and the City of Worcester	5/4 – 5/7, 2021 SIS
18.	Negotiate SIS contract	5/10 – 5/21, 2021
19.	Approve and sign SIS contract award	6/3/2021

NOTE:
Winter Break - February 15-19, 2021

Spring Break - April 19-23, 2021

ITEM: gb #0-33

STANDING COMMITTEE: **FINANCE AND OPERATIONS**

DATE OF MEETING: Monday, April 12, 2021

ITEM: Mr. Foley/Mrs. Clancey/Ms. McCullough/Mr. Monfredo/Ms. Novick (January 8, 2020)

To include a standing item for "Transportation Update" at each Finance and Operations committee meeting with information provided regarding the problems facing student transportation and improvements experienced.

PRIOR ACTION:

1-16-20 - Referred to the Administration.

2-6-20 - SCHOOL COMMITTEE MEETING

aor #0-5 - Clerk

(January 29, 2020)

To consider approval of the Minutes of the School Committee Meeting of Thursday, January 16, 2020.

Mr. Foley made the following amendment to the minutes:

Request that referral for item gb #0-33 be referred to the Standing Committee on Finance and Operations instead of to the Administration.

On a voice vote, the amendment was approved.

BACKUP:

Annex A (4 pages) contains a copy of the Student Transportation Update.

**WORCESTER PUBLIC SCHOOLS
 Student Transportation Update – April 6, 2021**

Payment Agreement:

The WPS has paid Durham School Services since December 2020 as follows:

- For school-operating days in December 2020 and Fridays during the remote learning period, 50% of the 2020-2021 daily contracted rate for each bus category (84 large buses, 33 mid-size buses, and 21 wheelchair buses). It is understood that the Contractor’s bus drivers and bus monitors may not be compensated with a 50% level of payment.
- From January 4, 2021 through March 26, 2021 (excluding Fridays unless otherwise noted), the WPS payment will increase to a total of 77% of the daily rate per bus based on the contractor demonstrating it has hired/recalled and paid the regularly contracted wages and benefits. It is expected that the Contractor will pay 138 bus drivers and 54 bus monitors for the full 77% payment.
- WPS will pay the Contractor 100% of the daily rate on days for the buses that are used to provide student transportation (including any Fridays that contracted transportation services was used).

A new agreement has been proposed for the remainder of the school year to address the full return of in-person instruction to begin on May 3, 2021.

Contracted Services:

Bus Category	Contracted/Expected Vehicles from Durham School Services
Mid-Size Bus	33
Wheelchair Bus	21
Full Size Bus	84
TOTAL	138

Actual Available Drivers:

Verified by Payroll (per Agreement above):

January 9, 2021: 147
 January 16, 2021: 146
 January 23, 2021: 136
 January 30, 2021: 138
 February 6, 2021: 138
 February 13, 2021: 138
 February 27, 2021: 139

Reported By Durham School Services to WPS:

March 2, 2021: 137
 March 23, 2021: 102
 March 31, 2021: 107
 April 6, 2021: 104

Transportation Vehicles Used during Hybrid Instruction (beginning on March 29, 2021).

Bus Category	Contracted Vehicles From Durham School Services	Actual Vehicles from Durham School Services Used for Hybrid Instruction	Difference
Mid-Size Bus	33	33	0
Wheelchair Bus	21	15	-6
Full Size Bus	84	52	-32
TOTAL	138	100	-38

Bus Category	WPS Vehicles
Mid-Size Bus	37
Full Size Bus	12
TOTAL	49

Other Items Status:

GPS/MyStop Access: As of April 6, 2021, Durham School Services is still working to address access by WPS in order to implement the MyStop bus application. The MyStop bus app will allow students and families to see the location and estimated arrival time of their own bus. MyStop is functioning on all WPS buses.

Cohort Routing: Due to changes in cohort groups, changing in transportation selections, and student selection data corrections, several hundred (500+) changes were needed for bus assignments. All outstanding bus assignments are expected to be completed for the start of the week for April 12th.

**Transportation Update Provided by Superintendent to School Committee
on March 26, 2021:**

Student Transportation Update for Expanded Hybrid Model

As we prepare for expanded hybrid in-person instruction on Monday, there are a few student transportation updates and adjustments that we were required to make that are different than previous transportation updates provided to the School Committee.

DESE GUIDANCE: Current DESE guidance allows for full capacity on all buses (assuming masks can be worn by all students). For us, that means up to three elementary students (a total of 71) or two secondary students (a total of 47) can be scheduled on a big bus. The mid-size special education bus capacity is 16 students. For this hybrid model, our student transportation had been originally planned on one student per bench seat (alternating window and aisle seating) with no more than 24 students per big bus and eight students per mid-size special education transportation bus.

WPS UPDATE: On Tuesday, March 23, the district was notified by Durham School Services of a big bus driver shortage due to medical leaves of absences and vacant positions. Our current contract with Durham is for 84 big buses. Based on the initial, hybrid ridership levels and knowledge of some level of driver vacancies, the district only intended to use 70 of the 84 contracted Durham buses for this hybrid model. Durham has notified us that they currently have 58 big bus drivers available for Worcester. Given this number and to allow coverage for daily absences, the district is now only able to use 52 big buses from Durham for transportation beginning on Monday. Based on 18 fewer buses being available, the district will now need to combine bus routes that will require two students per bench seat on 18 routes with passenger loads between 25-41 students. (The same routes are being used in the morning and afternoon, so the passenger loads are similar for both morning and afternoon).

For special education transportation, the district is using 37 WPS mid-size buses and all 33 of the contracted mid-size buses and 15 out of 21 wheelchair buses from Durham School Services during hybrid instruction. As the district has finalized students and cohorts for Monday, the number of riders eligible for transportation on mid-size buses may increase to a number that will require a very limited number of buses to have more than one student per bench seat. The seating of more than one per bench seat on a mid-size special education bus would only be used at this point if additional special education transportation-eligible students chose in-person instruction, students become eligible for special education student transportation, or if buses are needed to be used to cover driver shortages (due to illness, quarantine, or other similar reasons).

The posting and notification of the routes were delayed by the change in available buses from Durham. Bus routes and seat assignments are available for Group 1 (Monday & Tuesday) on the student and parent portals now and Group 2 (Wednesday & Thursday) will be posted late today. This bus information will also be mailed to student addresses as well.

Durham's Driver Shortage Action Step: Durham has indicated that they have seven individuals in various stages of training and may be available in one to eight weeks based on the level of training needed. Durham School Services local management has indicated to us that they have 14

big bus drivers on leaves of absence due to medical reasons or waiting for vaccination. Some of these absences may be available to return in the future. Durham has also indicated that they will pull drivers from other districts to support Worcester if possible.

During Worcester's remote learning, Durham has assigned many Worcester drivers to other districts to cover other shortfalls in those districts. Durham has assured us that all Worcester drivers will return to Worcester (and are included in the 58 available drivers).

Planning for May 3rd: When the district returns to full-time in-person instruction on May 3rd (combining the two cohorts), the district may need to use all 84 contracted buses from Durham. At present, Durham local management expects that with a return of some of the medical leaves of absences they may still be 10-15 drivers short. The Administration is working with Durham School Services on their response plans and on other possible solutions to address this shortfall. Updates on student transportation for the May 3rd return date will be provided as they become developed.

I want to thank John Hennessey and our routers that have worked tirelessly these last few days to adjust the routes to be ready for hybrid instruction on Monday. Also, the IT staff of Mohammad Siddiqui and Shannon Bartley for their support in having this information available for students and families within our student information system.

ITEM: gb #0-58

STANDING COMMITTEE: **FINANCE AND OPERATIONS**

DATE OF MEETING: Monday, April 12, 2021

ITEM: Ms. Novick/Miss Biancheria/Mr. Foley/Mr. Monfredo (January 29, 2020)

To discuss the proposal to move city polling locations into the Worcester Public Schools.

PRIOR ACTION:

2-6-20 - Referred to the Standing Committee on Finance and Operations.

BACKUP:

Annex A (1 page) contains the Administration's response to the item.

In 2008, the City of Worcester Elections Commission decided to discontinue using public school buildings as polling places. In 2008, more than one-third (18) the city's polling places were in school buildings. The use of school buildings were discontinued for several reasons.

In 2020, the Superintendent authorized the Elections Commission to use the following sites as polling locations:

<u>Ward</u>	<u>Precinct</u>	<u>Location</u>	<u>Address</u>
1	2	Nelson Place School	35 Nelson Place
2	3	Burncoat High Gymnasium	179 Burncoat Street
3	1	Burncoat High Gymnasium	179 Burncoat Street
3	4	Worcester Technical High School Lobby	1 Skyline Drive

STANDING COMMITTEE: **FINANCE AND OPERATIONS**

DATE OF MEETING: Monday, April 12, 2021

ITEM: Administration (August 17, 2020)

To review the status of the FY21 Budget and make appropriate transfers as required.

PRIOR ACTION:

8-27-20 - Mr. Allen stated that this is an interim budget and the final budget will not be proposed until October. The 15.5 million dollar reductions may not necessarily be in the final budget and that adjustments may need to be made.

Mayor Petty hoped that extended day learning, crossing guards and cafeteria worker jobs will be reinstated if the final budget changes.

Miss Biancheria requested that the item be held in order to discuss what can be reduced from the current interim budget by going line by line.

Ms. Novick requested an update on school nutrition services to which Mr. Allen replied that the current plan calls for food distribution in high density areas with fifteen locations for students to pick up their meals.

Miss Biancheria made the following motion:

Request that the item be held.

On a roll call of 2-5 (yea Miss Biancheria and Mr. Monfredo), the motion was defeated.

On a roll call of 6-1 (nay Miss Biancheria), the backup was approved.

Mayor Petty moved to suspend the rules for a reconsideration.

On a roll call of 6-1 (nay Miss Biancheria), the rules were suspended.

On a roll call of 1-6 (yea Miss Biancheria), the reconsideration was denied.

Ms. McCullough made the following motion:

Request that the Administration prioritize reinstating extended learning if additional money becomes available.

On a roll call of 6-1 (nay Ms. Novick), the motion was approved.

On a roll call of 7-0, the item was referred to the Standing Committee on Finance and Operations. **(Continued on page 2.)**

BACKUP:

Annex A (3 pages) contains a copy of the FY21 Budget Third Quarter Budget Status Report.

Annex B (1 page) contains a copy of the 2020-21 Budget Account Summary Third Quarter Report.

PRIOR ACTION (continued)

9-9-20 - **STANDING COMMITTEE ON FINANCE AND OPERATIONS**

Mr. Allen spoke to the FY21 Revised Baseline Budget. He stated that on July 30, 2020, the Governor and the State Legislature provided revised baseline FY21 Chapter 70 Aid for school districts. The Massachusetts Department of Elementary and Secondary Education also provided an Administrative Update on Chapter 70 Aid and Net School Spending Requirements based on these revised budget baseline amounts. This state funding commitment included Chapter 70 increases for inflation and enrollment only, that while will keep all school districts at foundation, the new baseline budget does not include any of the funding for the phase-in of the Student Opportunity Act (**a \$15.5 million reduction for the Worcester Public Schools**).

According to DESE, updated charter tuition and reimbursement amounts were not included in the local aid resolution so the amounts listed below are based on final FY20 amounts pending any additional administrative updates or final passage of the budget per state guidance.

Revenue and Tuition Offset Category:	FY21 Adopted Budget (based on Governor's Budget)	FY21 Revised Baseline Budget	Change from Adopted Budget Amount
Chapter 70 State Aid & Reimbursement:			
Chapter 70 State Aid (Total)	293,503,420	277,395,997	-\$16,107,423
Charter School Reimbursement	\$4,490,822	\$2,763,726	-\$1,727,096
Total City Contribution	<u>\$123,327,975</u>	<u>\$123,327,975</u>	<u>\$0</u>
Total General Fund Revenues	<u>\$421,322,217</u>	<u>\$403,487,698</u>	-\$17,834,519
Less Tuition Assessments:			
Charter School Tuition Assessment	\$29,496,484	\$27,154,480	-\$2,342,004
School Choice Tuition Assessment	\$3,176,771	\$3,176,771	\$0
Special Education Revenue Offset	<u>\$193,758</u>	<u>\$193,758</u>	<u>\$0</u>
Total Tuition Assessments	<u>\$32,867,013</u>	<u>\$30,525,009</u>	-\$2,342,004
Total General Fund Revenue	<u>\$388,455,204</u>	<u>\$372,962,689</u>	-\$15,492,515

PRIOR ACTION (continued)

9-9-20 - (continued) The Administration prepared and the School Committee approved a reduction of \$15.5 million. These actions preserved Worcester Public Schools' positions to ensure full continuity of instruction, support, and services during the full remote model of the first quarter. Final actions by the School Committee will not be taken until a final budget is adopted by the State Legislature as well as the Worcester City Council.

<u>Account</u>	<u>Description</u>	<u>Amount</u>
All Salary Accounts	Reduce 2% across all salary accounts. This reduction does not impact current salaries, step increases, or other existing contractual obligations.	\$4,859,362
Various Salary Accounts (Teachers, Instructional Assistants, School Nurses, and School Clerical)	Eliminate extended learning time (common planning time and additional instructional time) at four former Level 4 schools (Burncoat Prep, Chandler Elementary, Elm Park Community, and Union Hill School).	\$1,856,198
Various Salary Accounts	Actual and anticipated vacancy savings for positions through the end of September 2020.	\$391,378
500-91114 Teacher Substitutes	Reduce day-by-day substitutes for first quarter (full remote model).	\$285,000
500-91115 Instructional Assistants	Eliminate and reallocate selected Instructional Assistant positions due to full remote model.	\$111,396
500-91118 Supplemental Program Salaries	Line G. Student Afterschool Drop-Off Center Reduce afterschool student drop-off center for first quarter (based on full remote model).	\$7,500
500-91120 Maintenance Service Salaries	Eliminate 5 vacant positions (3 electricians and 2 carpenters).	\$271,809
500-91124 Crossing Guards	Reduce use of crossing guards (completely) for first quarter (full remote model).	\$183,781
540103-92000 Student Transportation	Reduce contracted student transportation for 10 additional staff development days (no longer student session days).	\$762,458
540103-92000 Student Transportation	Reduce contracted student transportation for Fridays (full year) due to remote learning model (32 days).	\$2,439,866
540103-92000 Student Transportation	Reduce contracted student transportation for big buses for first quarter (full remote model) (33 days, Friday dates are included in the above amount).	\$1,383,689
540103-92000 Student Transportation	Reduce contracted student transportation for mid-size or wheelchair buses for first quarter (full remote model) (33 days, Friday dates are included in the above amount)	\$1,132,421
540103-92000 Student Transportation	Reduce contracted student transportation for mid-size buses, wheelchair buses, and 7D vans during Summer 2020	\$336,822
540103-92000 Student Transportation	Reduce out-of-district special education and McKinney-Vento Transportation based estimated savings for in-district provided services and reduced transportation needs.	\$727,770
500123-96000 Health Insurance	Savings associated through vacancy factor and position reductions	\$168,610
500130-92000 Personal Services	Line I. Security Guards Reduce contracted security services (except for Durkin Administration Building) for first quarter (full remote model)	\$81,372
500-92204 Instructional Supplies	Line A. Instructional Materials Reduce \$10 per pupil instructional supply budget	\$245,780
500-92204	Line D. Student Furniture	\$153,000
Instructional Supplies	Eliminate line item for student furniture purchases for this school year	
500136-92000 Miscellaneous Educational OM	Line K. In State Travel Estimated savings for first quarter full remote model	\$5,000

PRIOR ACTION (continued)

9-9-20 -
(continued)

500152-92000 Facilities Ordinary Maintenance	Line B. Trash Removal Lower trash removal costs based on first quarter full remote plan	\$89,303
TOTAL RECOMMENDED BUDGET REDUCTIONS		\$15,492,515

Some of these areas could be restored should a final state budget include Student Opportunity Act funds or through additional federal stimulus funds. However, should an all-remote model be continued during the second quarter of the school year, an additional savings totaling \$3.6 million may also be realized in several accounts listed above.

Miss Biancheria made the following motion:

Request that the Administration provide a listing of positions of former or retired Worcester Public Schools' employees without names currently working part-time in the system as mentors of in any other capacity.

On a roll call of 3-0, the motion was approved.

Miss Biancheria questioned if it was already determined to eliminate IA positions and, if so, what school sites will be impacted. She also inquired as to the number of cafeteria workers that will be furloughed.

Mr. Allen stated that the Human Resources Office continues to work through the reallocation of the IA positions and the report will be finalized in approximately two weeks. The furlough process for the cafeteria workers will involve 240 of the 330 positions and the plan will be completed this week.

Miss Biancheria questioned if crossing guards will be furloughed and with they collect unemployment.

Mr. Allen stated that, as long as they meet the criteria, they can collect unemployment.

Miss Biancheria made the following motion:

Request that the Administration provide, within two weeks, a complete list of all positions that will be furloughed.

On a roll call of 3-0, the motion was approved.

Miss Biancheria made the following motion:

Request that the Administration provide a complete list of all donations made to the Worcester Public Schools by individuals and different organizations.

On a roll call of 3-0, the motion was approved.

Miss Biancheria questioned if there were any discussions with the WRTA regarding discounts on bus passes for students. She also

asked if the Worcester Public Schools had purchased any bus passes and, if so, how many.

Mr. Allen stated that the WPS spent \$20,000 to purchase reduced WRTA bus passes for athletic transportation.

9-17-20 - SCHOOL COMMITTEE MEETING - The School Committee approved the action of the Standing Committee as stated.

PRIOR ACTION (continued)

11-17-20 - STANDING COMMITTEE ON FINANCE AND OPERATIONS
Mr. Allen spoke to the status of the FY21 Budget and appropriate transfers.

It was moved to approve the following transfers:

DUE TO CURRENT STATE BUDGET REDUCTION:

<u>Amount</u>	<u>From Account</u>	<u>Account Title</u>	<u>To Account</u>	<u>Account Title</u>
\$7,467,509	540103-92000	Transportation	500-92204	Instructional Materials, Line E.
\$4,335,139	500-91111	Teacher Salaries	500-92204	Instructional Materials, Line E.
\$799,707	500-91115	Instructional Assistants Salaries	500-92204	Instructional Materials, Line E.
\$515,780	500-92204	Instructional Materials	500-92204	Instructional Materials, Line E.
\$324,318	500-91114	Teacher Substitutes Salaries	500-92204	Instructional Materials, Line E.
\$317,161	500-91120	Maintenance Service Salaries	500-92204	Instructional Materials, Line E.
\$301,372	500130-92000	Personal Services	500-92204	Instructional Materials, Line E.
\$276,610	500123-96000	Health Insurance	500-92204	Instructional Materials, Line E.
\$241,441	500-91110	Administration Salaries	500-92204	Instructional Materials, Line E.
\$334,482	540-91124	Crossing Guard Salaries	500-92204	Instructional Materials, Line E.
\$149,314	500-91119	Custodial Salaries	500-92204	Instructional Materials, Line E.
\$138,272	500-91134	Educational Support Salaries	500-92204	Instructional Materials, Line E.
\$117,162	500-91133	School Nurse Salaries	500-92204	Instructional Materials, Line E.
\$89,303	500152-92000	Facilities Ordinary Maintenance	500-92204	Instructional Materials, Line E.
\$86,223	540-91117	Transportation Salaries	500-92204	Instructional Materials, Line E.
\$70,598	500-91121	Administrative Clerical Salaries	500-92204	Instructional Materials, Line E.

PRIOR ACTION (continued)

11-17-20 (continued)

\$55,473	500-91123	Non Instructional Salaries	500-92204	Instructional Materials, Line E.
\$44,357	500-91122	School Clerical Salaries	500-92204	Instructional Materials, Line E.
\$27,500	500-91118	Supplemental Program Salaries	500-92204	Instructional Materials, Line E.
\$22,001	500-97203	Custodial Overtime Salaries	500-92204	Instructional Materials, Line E.
\$14,000	540-97201	Transportation Overtime Salaries	500-92204	Instructional Materials, Line E.
\$5,000	500136-92000	Miscellaneous Educational OM	500-92204	Instructional Materials, Line E.
\$3,169	500-97204	Maintenance Overtime Salaries	500-92204	Instructional Materials, Line E.
\$1,447	500-97205	Support Overtime Salaries	500-92204	Instructional Materials, Line E.

OPERATIONAL BUDGET TRANSFERS

\$1,131,200	500-91134	Educational Support Salaries	500-91111	Teacher Salaries
\$180,000	500-91115	Instructional Assistants Salaries	500-91111	Teacher Salaries
\$157,612	500130-92000	Personal Services	500-91118	Supplemental Program Salaries
\$40,000	500-91118	Supplemental Program Salaries	500-91111	Teacher Salaries
\$15,680	500-92204	Instructional Materials	500-91111	Teacher Salaries
\$5,500	500-91118	Supplemental Program Salaries	500130-92000	Personal Services
\$590,000	500-91114	Teacher Substitutes	500137-96000	Unemployment Compensation
\$230,000	500-91115	Instructional Assistants Salaries	500137-96000	Unemployment Compensation
\$280,000	500-91119	Custodial Salaries	500137-96000	Unemployment Compensation
\$250,000	500-91123	Non Instructional Salaries	500137-96000	Unemployment Compensation

PRIOR ACTION (continued)

11-17-20 (continued)

Grants	FY21 Adopted Budget	FY21 Award	Difference
Title I	\$11,585,589	\$11,065,503	-\$520,086
Title II Teacher Quality	\$1,238,673	\$1,114,170	-\$124,503
Title III	\$1,120,151	\$1,193,397	\$73,246
Title IV	\$789,078	\$837,290	\$48,212
IDEA	\$7,827,865	\$7,888,049	\$60,184
Perkins Secondary Allocation	\$474,016	\$456,639	-\$17,377

On a roll call of 3-0, the motion was approved.

On a roll call of 3-0, the item was held for the Second Quarter Report.

12-3-20 -

SCHOOL COMMITTEE MEETING – The School Committee approved the action of the Standing Committee as amended.

Ms. Novick made the following motion:

Request that the financial quarterly reports be posted on the WPS finance budget webpage.

On a roll call of 7-0, the motion was approved.

It was moved to approve the following transfers:

DUE TO CURRENT STATE BUDGET REDUCTION:

Amount	From Account	Account Title	To Account	Account Title
\$7,467,509	540103-92000	Transportation	500-92204	Instructional Materials, Line E.
\$4,335,139	500-91111	Teacher Salaries	500-92204	Instructional Materials, Line E.
\$799,707	500-91115	Instructional Assistants Salaries	500-92204	Instructional Materials, Line E.
\$515,780	500-92204	Instructional Materials	500-92204	Instructional Materials, Line E.
\$324,318	500-91114	Teacher Substitutes Salaries	500-92204	Instructional Materials, Line E.
\$317,161	500-91120	Maintenance Service Salaries	500-92204	Instructional Materials, Line E.
\$301,372	500130-92000	Personal Services	500-92204	Instructional Materials, Line E.
\$276,610	500123-96000	Health Insurance	500-92204	Instructional Materials, Line E.

PRIOR ACTION (continued)

12-3-20 (continued)

\$241,441	500-91110	Administration Salaries	500-92204	Instructional Materials, Line E.
\$334,482	540-91124	Crossing Guard Salaries	500-92204	Instructional Materials, Line E.
\$149,314	500-91119	Custodial Salaries	500-92204	Instructional Materials, Line E.
\$138,272	500-91134	Educational Support Salaries	500-92204	Instructional Materials, Line E.
\$117,162	500-91133	School Nurse Salaries	500-92204	Instructional Materials, Line E.
\$89,303	500152-92000	Facilities Ordinary Maintenance	500-92204	Instructional Materials, Line E.
\$86,223	540-91117	Transportation Salaries	500-92204	Instructional Materials, Line E.
\$70,598	500-91121	Administrative Clerical Salaries	500-92204	Instructional Materials, Line E.
\$55,473	500-91123	Non Instructional Salaries	500-92204	Instructional Materials, Line E.
\$44,357	500-91122	School Clerical Salaries	500-92204	Instructional Materials, Line E.
\$27,500	500-91118	Supplemental Program Salaries	500-92204	Instructional Materials, Line E.
\$22,001	500-97203	Custodial Overtime Salaries	500-92204	Instructional Materials, Line E.
\$14,000	540-97201	Transportation Overtime Salaries	500-92204	Instructional Materials, Line E.
\$5,000	500136-92000	Miscellaneous Educational OM	500-92204	Instructional Materials, Line E.
\$3,169	500-97204	Maintenance Overtime Salaries	500-92204	Instructional Materials, Line E.
\$1,447	500-97205	Support Overtime Salaries	500-92204	Instructional Materials, Line E.

OPERATIONAL BUDGET TRANSFERS

\$1,131,200	500-91134	Educational Support Salaries	500-91111	Teacher Salaries
\$180,000	500-91115	Instructional Assistants Salaries	500-91111	Teacher Salaries

PRIOR ACTION (continued)

12-3-20 (continued)

\$157,612	500130-92000	Personal Services	500-91118	Supplemental Program Salaries
\$40,000	500-91118	Supplemental Program Salaries	500-91111	Teacher Salaries
\$15,680	500-92204	Instructional Materials	500-91111	Teacher Salaries
\$5,500	500-91118	Supplemental Program Salaries	500130-92000	Personal Services
\$590,000	500-91114	Teacher Substitutes	500137-96000	Unemployment Compensation
\$230,000	500-91115	Instructional Assistants Salaries	500137-96000	Unemployment Compensation
\$280,000	500-91119	Custodial Salaries	500137-96000	Unemployment Compensation
\$250,000	500-91123	Non Instructional Salaries	500137-96000	Unemployment Compensation

Grants	FY21 Adopted Budget	FY21 Award	Difference
Title I	\$11,585,589	\$11,065,503	-\$520,086
Title II Teacher Quality	\$1,238,673	\$1,114,170	-\$124,503
Title III	\$1,120,151	\$1,193,397	\$73,246
Title IV	\$789,078	\$837,290	\$48,212
IDEA	\$7,827,865	\$7,888,049	\$60,184
Perkins Secondary Allocation	\$474,016	\$456,639	-\$17,377

On a roll call of 7-0, the motion was approved.

On a roll call of 7-0, the item was held for the Second Quarter Report.

**WORCESTER PUBLIC SCHOOLS
 FY21 BUDGET
 THIRD QUARTER BUDGET STATUS REPORT**

The status of all Salary and Ordinary Maintenance accounts as of March 31, 2021 are shown in Annex B. Presented for each account is the amount budgeted for the current fiscal year, the amount expended or committed as of December 31st, and the projected balance at the closing on June 30, 2021. Salary and Ordinary Maintenance Account totals are:

<u>Budget Title</u>	<u>Adopted Budget</u>	<u>Final Budget</u>	<u>Expended or Encumbered 03/31/21</u>	<u>Projected Balance 06/30/21</u>
Salaries	\$254,170,164	\$247,088,400	\$148,405,944	-\$1,695,142
Ordinary Maintenance	\$134,285,040	\$125,310,268	\$103,774,514	\$1,677,977
Total General Fund	\$388,455,203	\$372,398,668	\$252,180,458	-\$17,165

At this point in the fiscal year, a total of \$252,180,458 (67%) has been expended or committed. A description of the projected balances is as follows:

Accounts with Budget Impacts:

Personal Services Account 500130-92000 (-\$681,272): This accounts include the increase of the district’s legal consultation line (\$214,309) item, as well as several legal settlements (\$229,463) that have recently occurred. Additional contracts for student services in the special education department (\$200,000) have been incorporated. This account also includes the graduating seniors’ caps, gowns, and tassels (\$37,500) that will be purchased by the district. Similar to last fiscal year, the student AP exams will be processed from Title IV grant funds.

Miscellaneous OM Account 500136-92000 (-\$336,722): The highlights of this account represents the educational programs including STAR assessments and AVID licenses (\$31,514) which were increased from the FY21 budget amount and also includes the addition of rental space for the expanding dual language (\$51,000) program, as well as the increase leasing costs of the St. Casimir’s (\$42,927) program. This line also includes the move that will occur in June 2021 of South High classrooms (\$120,000) to the new facility.

Facilities Ordinary Maintenance Account 500152-92000 (-\$250,000): This account increase represents the expenditures to the environmental management line item. The increase includes the ability to proactively complete maintenance due to the students being fully remote for the majority of the year, as well as heating related issues, routine abatement projects, disposal of hazardous waste and the commissioning of an online training platform.

Building Utilities 500146-92000 (-\$98,542): As a result of the installation of the needlepoint bipolar ionization equipment and the ventilation systems continuously running for the remainder of the school year, the electrical demands are higher at school locations.

Support Overtime Account 500-97205 (-\$60,775): This account includes the necessary support from the technology department for the previous preparation and implementation of the district’s remote learning model. The district currently provides parental support after hours and weekends for any issues that arise can be resolved immediately.

Accounts with Projected Balances to Offset Deficit Accounts:

Health Insurance Account 500123-96000 (\$962,269): The projected balance in this account reflects the vacant positions that have occurred through the third quarter for health insurance and other related costs in this account.

Transportation 540103-92000 (\$932,121): The decision to extend remote learning has created additional projected saving with contracted student transportation.

Educational Support Salaries Account 500-91134 (\$503,318): The remaining projected amount is the delay of implementing elementary literacy tutors until the third quarter, as well as several vacant positions. The projection includes the cost of replacement positions through the end of the school year.

Tuition 500132-92000 (\$443,196): The current students attending out of district placement is has been less than the budgeted amount through the third quarter and has a projected balance that will be reallocated within the special education department for several required student service contracts, supplies and materials.

Maintenance Salaries Account 500-91120 (\$252,676): The projected balance in this account represents several vacant positions. These funds will be moved to Facilities Ordinary Maintenance in order to provide additional environmental management through vendor services.

Athletic Coach Salaries Account 500-91116 (\$197,838): The projected balance in this account represents the elimination of the winter sport season for students.

Based on the Third Quarter Budget Status Report, the Administration recommends the following actions:

Amount	From Account	Account Title	To Account	Account Title
\$200,000	500132-92000	Tuition	500130-92000	Personal Services
\$100,000	500132-92000	Tuition	500-92204	Instructional Materials
\$250,000	500-91120	Maintenance Salaries	500152-92000	Facilities Ordinary Maintenance
\$900,000	500123-96000	Health Insurance	500-91111	Teacher Salaries
\$400,000	540103-92000	Transportation	500130-92000	Personal Services
\$300,000	540103-92000	Transportation	500136-92000	Miscellaneous Educational OM
\$400,000	540103-92000	Transportation	540103-93000	Transportation

The following table represents paid positions through the end of the second and third quarter:

<u>Account Title</u>	<u>FY21 Budget</u>	<u>Paid 12/31/20</u>	<u>Paid 03/31/21</u>
Administration Salaries	115.00	114.00	114.00
Teacher Salaries	2,445.00	2421.00	2,400.00
Instructional Assistants Salaries	644.00	589.00	584.00
Transportation Salaries	113.00	109.00	109.00
Custodial Salaries	154.00	151.00	152.00
Maintenance Service Salaries	31.00	22.00	22.00
Administrative Clerical Salaries	68.00	68.00	68.00
School Clerical Salaries	74.00	72.00	71.00
Non Instructional Salaries	54.50	52.00	52.00
School Nurse & Clinical Salaries	98.00	90.00	87.00
Educational Support Salaries	98.40	46.00	48.00

**WORCESTER PUBLIC SCHOOLS
 2020-2021 BUDGET ACCOUNT SUMMARY
 THIRD QUARTER REPORT**

<u>Account</u>	<u>Account Title</u>	<u>Adopted</u>	<u>Reduced Appropriation</u>	<u>Final Budget</u>	<u>Transfer</u>	<u>Budget</u>	<u>Expended or Encumbered</u>	<u>Balance</u>
500-91110	Administration Salaries	\$14,249,909	-\$241,441	\$14,008,468		\$14,008,468	\$10,460,645	-\$332,087
500-91111	Teacher Salaries	\$185,342,212	-\$4,335,139	\$181,007,073	\$1,366,880	\$182,373,953	\$106,847,540	-\$3,191,015
500-91112	School Committee Salaries	\$98,628		\$98,628		\$98,628	\$73,969	\$0
500-91114	Teacher Substitutes Salaries	\$2,439,515	-\$324,318	\$2,115,197	-\$590,000	\$1,525,197	\$700,968	\$73,956
500-91115	Instructional Assistants Salaries	\$13,962,930	-\$799,707	\$13,163,223	-\$410,000	\$12,753,223	\$8,350,692	\$86,496
500-91116	Coach Salaries	\$712,702		\$712,702		\$712,702	\$20,098	\$197,838
540-91117	Transportation Salaries	\$4,374,990	-\$86,223	\$4,288,767		\$4,288,767	\$2,711,836	-\$45,178
500-91118	Supplemental Program Salaries	\$1,635,466	-\$27,500	\$1,607,966	\$112,112	\$1,720,078	\$881,025	\$228,487
500-91119	Custodial Salaries	\$7,541,209	-\$149,314	\$7,391,895	-\$280,000	\$7,111,895	\$5,312,464	-\$150,313
500-91120	Maintenance Service Salaries	\$2,322,454	-\$317,161	\$2,005,293		\$2,005,293	\$1,290,966	\$252,676
500-91121	Administrative Clerical Salaries	\$3,607,045	-\$70,598	\$3,536,447		\$3,536,447	\$2,585,962	\$15,761
500-91122	School Clerical Salaries	\$2,420,178	-\$44,357	\$2,375,821		\$2,375,821	\$1,527,562	\$95,776
500-91123	Non Instructional Salaries	\$2,738,924	-\$55,473	\$2,683,451	-\$250,000	\$2,433,451	\$2,063,573	-\$98,644
540-91124	Crossing Guard Salaries	\$518,320	-\$334,482	\$183,838		\$183,838	\$0	\$61,853
500-91133	School Nurse Salaries	\$5,973,882	-\$117,162	\$5,856,720		\$5,856,720	\$3,426,045	\$71,915
500-91134	Educational Support Salaries	\$4,174,342	-\$138,272	\$4,036,070	-\$1,131,200	\$2,904,870	\$1,502,691	\$503,318
540-97201	Transportation Overtime Salaries	\$700,000	-\$14,000	\$686,000		\$686,000	\$14,359	\$409,130
500-97203	Custodial Overtime Salaries	\$1,122,051	-\$22,001	\$1,100,050		\$1,100,050	\$551,566	\$46,790
500-97204	Maintenance Overtime Salaries	\$161,627	-\$3,169	\$158,458		\$158,458	\$7,795	\$138,873
500-97205	Support Overtime Salaries	\$73,780	-\$1,447	\$72,333		\$72,333	\$76,187	-\$60,775
	Salary Total	\$254,170,164	-\$7,081,764	\$247,088,400	-\$1,182,208	\$245,906,192	\$148,405,944	-\$1,695,142
500101-96000	Retirement	\$19,683,751		\$19,683,751		\$19,683,751	\$19,683,330	\$10,640
540103-92000	Transportation	\$18,030,031	-\$7,467,509	\$10,562,522		\$10,562,522	\$9,440,262	\$932,121
500122-92000	Athletic Ordinary Maintenance	\$465,819		\$465,819		\$465,819	\$114,060	\$0
500123-96000	Health Insurance	\$51,521,725	-\$276,610	\$51,245,115		\$51,245,115	\$34,521,827	\$962,269
500125-92000	Other Insurance Programs	\$63,086		\$63,086		\$63,086	\$83,965	-\$9,944
500129-96000	Workers Compensation	\$1,967,646		\$1,967,646		\$1,967,646	\$1,277,244	\$148,616
500130-92000	Personal Services	\$2,662,087	-\$301,372	\$2,360,715	-\$152,112	\$2,208,603	\$2,569,432	-\$681,272
500132-92000	Tuition	\$20,068,553		\$20,068,553		\$20,068,553	\$19,393,126	\$443,196
500133-92000	Printing & Postage	\$317,272		\$317,272		\$317,272	\$293,374	\$21,416
500-92204	Instructional Materials	\$3,965,969	-\$834,977	\$3,130,992	-\$15,680	\$3,115,312	\$2,543,159	\$0
500136-92000	Miscellaneous Educational OM	\$4,141,378	-\$5,000	\$4,136,378		\$4,136,378	\$4,063,449	-\$336,722
500137-96000	Unemployment Compensation	\$732,000		\$732,000	\$1,350,000	\$2,082,000	\$0	\$536,199
500146-92000	Building Utilities	\$6,230,254		\$6,230,254		\$6,230,254	\$5,846,245	-\$98,542
500152-92000	Facilities Ordinary Maintenance	\$4,435,469	-\$89,303	\$4,346,166		\$4,346,166	\$3,945,041	-\$250,000
	Non Salary Total	\$134,285,040	-\$8,974,771	\$125,310,269	\$1,182,208	\$126,492,477	\$103,774,514	\$1,677,977
	Total General Fund Budget	\$388,455,203	-\$16,056,535	\$372,398,668	\$0	\$372,398,668	\$252,180,458	-\$17,165

STANDING COMMITTEE: **FINANCE AND OPERATIONS**

DATE OF MEETING: Monday, April 12, 2021

ITEM: Mayor Petty/Mrs. Clancey/Ms. McCullough (September 10, 2020)

Request that the Superintendent/Administration develop a Transition Plan to include HVAC upgrades to resume in-person educational services for high need special education students prior to the end of the first quarter.

PRIOR ACTION:

9-17-20 - Superintendent Binienda stated that the initial plan is to move Group C students into green schools, one group at a time. Miss Biancheria requested that her name be added as a co-sponsor of the item. Mayor Petty asked that at least 20 special education students return to school as soon as a school is available to accommodate them. Mrs. Clancey made the following motion: Request that the Administration consider allowing k-2 students to return to the classrooms. On a roll call of 7-0, the item was referred to the Standing Committee on Finance and Operations for implementation.

BACKUP:

The Administration recommends that the item be filed.

ITEM: gb #0-346.1

STANDING COMMITTEE: **FINANCE AND OPERATIONS**

DATE OF MEETING: Monday, April 12, 2021

ITEM: Administration/Ms. Novick/Mrs. Clancey/Ms. McCullough/Mr. Monfredo
(November 10, 2020)

Response of the Administration to the request to provide a report on actual total cost to district families of the 2021 Advanced Placement exams for consideration with the full committee's consideration of the first quarter budget report.

RIOR ACTION:

11-5-20 - On a roll call of 7-0, the item was referred to the Administration for a response for the November 19th meeting.

11-19-20 - (Considered with the item first item from gb #0-353.)

Ms. Novick asked for the total number of AP exams that have been ordered.

Superintendent Binienda stated that 2,208 tests have been ordered.

Dr. Ganius stated that there would be no cancellation fee this year.

Ms. Novick made the following motion:

Request that when considering the first quarter budget, that the Administration make the commitment to fund the remainder of the cost for AP exams and alert the students that the exams will be at no cost to them.

On a roll call of 7-0, the motion was approved.

Fatima Daffaie, Ex-Officio member of the School Committee requested the number of students that did not take the College Board this year and Superintendent Binienda stated that she would have that number for the next meeting.

On a roll call 7-0, the vote to refer the first item from 0-353 and gb #0-346.1 to the Standing Committee on Finance and Operations.

BACKUP: (Considered with gb #0-267, gb #0-353 and motion gb #0-138.5.

ITEM: gb #0-353

STANDING COMMITTEE: **FINANCE AND OPERATIONS**

DATE OF MEETING: Monday, April 12, 2021

ITEM: Administration (November 10, 2020)

To consider input from the School Committee's student representatives.

1. Request that the School Committee consider paying for the 2021 AP Exams. (Fatimah Daffaie)
2. Request that the Administration consider sharing weekly student check-in survey responses with the School Committee. (Jasmine Owusu)

PRIOR ACTION:

11-19-20 - The item first item was held to be considered and discussed with gb #0-346.1.

Student Representative Jasmine Owusu made the following amendment to her item:

Request that the Administration consider sharing weekly student check-in survey responses **regarding common activities that students engage in most in class** with the School Committee. (Jasmine Owusu)

On a roll call 6-0-1 (absent mayor petty), the second item as amended and referred to the Standing Committee on School and Student Performance.

(First item and gb #0-346.1)

Ms. Novick asked for the total number of AP exams that have been ordered.

Superintendent Binienda stated that 2,208 tests have been ordered.

BACKUP: (Considered with gb #0-267, gb #0-346.1 and motion gb #0-138.5.

PRIOR ACTION (continued)

11-19-20 - Dr. Ganas stated that there would be no cancellation fee this year.
(continued) Ms. Novick made the following motion:

Request that when considering the first quarter budget, that the Administration make the commitment to fund the remainder of the cost for AP exams and alert the students that the exams will be at no cost to them.

On a roll call of 7-0, the motion was approved.

Fatima Daffaie, Ex-Officio member of the School Committee requested the number of students that did not take the College Board this year and Superintendent Binienda stated that she would have that number for the next meeting.

On a roll call 7-0, the vote to refer the first item from 0-353 and gb #0-346.1 to the Standing Committee on Finance and Operations.

ITEM: motion - gb #0-138.5

STANDING COMMITTEE: **FINANCE AND OPERATIONS**

DATE OF MEETING: Monday, April 12, 2021

ITEM:

motion (gb #0-138.5) Ms. Novick (December 17, 2020)

500130-92000 Personal Services (Non-Salary)

Request that the Administration provide a report on the how much it would cost the system to provide caps, gowns and tassels next year for graduating seniors.

PRIOR ACTION:

12-17-20 - SCHOOL COMMITTEE MEETING

Ms. Novick made the following motion:

Request that the item be referred to the Standing Committee on Finance and Operations to be considered with next quarter's in order to consider covering the cost of caps, gowns and tassels.

On a roll call of 7-0, the motion was approved.

BACKUP: (Considered with gb #0-267, gb #0-346. and gb #0-353.

ITEM: gb #1-44

STANDING COMMITTEE: **FINANCE AND OPERATIONS**

DATE OF MEETING: Monday, April 12, 2021

ITEM: Ms. Novick/Mrs. Clancey/Mr. Foley/Ms. McCullough/Mr. Monfredo
(January 26, 2021)

Request administration propose for Committee consideration a priority list of facilities projects to improve the health and safety of school buildings using the new Elementary and Secondary School Emergency Relief Fund.

PRIOR ACTION:

2-4-21 - On a roll call of 7-0, the item was referred to the Standing Committee on Finance and Operations.

BACKUP:

Annex A (2 pages) contains a copy of the Administration's response of the item.

The Worcester Public Schools will receive funding for the Elementary and Secondary School Emergency Relief Fund (ESSER II and III Funds). Massachusetts Department of Elementary and Secondary Education has provided guidance on allowable uses of these funds, to include the following (extracted):

Capital expenditures that 1) “prevent, prepare for, and respond to the coronavirus” and 2) are allowable per the list of allowable uses under the respective ESSER programs are appropriate uses of grant funds, provided all of the guidance and cost principles governing the expenditures are met.

Capital expenditures are defined as “expenditures to acquire capital assets or expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life.” [2 CFR § 200.13](#). Districts are required to receive DESE’s prior approval for capital expenditures. [2 CFR § 200.439](#).

For those capital expenditures less than \$30,000, districts will receive approval by listing the expenditures in their ESSER workbooks on the budget tab. For capital expenditures of and over \$30,000, districts are required to submit an Equipment and Capital Expenditures Request for Approval to their DESE grant liaison and receive approval prior to obligating the funds.

Construction to prevent, prepare for, and respond to the coronavirus has been determined to be an allowable expenditure under ESSER I and ESSER II because Title I, Impact Aid, allows construction (and Title-I-allowed expenditures are also allowable expenditures under ESSER I and ESSER II). In discussing applicability to ESSER, USED adopts the Impact Aid definition of construction: “(A) the preparation of drawings and specifications for school facilities; (B) erecting, building, acquiring, altering, remodeling, repairing, or extending school facilities; (C) inspecting and supervising the construction of school facilities; and (D) debt servicing for such activities.” (ESEA (ESSA), § 7013(3)). *Id.*

1. Would a window replacement project that replaced fixed (inoperable) or faulty windows with operable windows qualify as improving ventilation?

Yes, the reasonable costs of window replacement to improve air quality would be allowable. ESSER II expressly allows 1) repairing and improving school facilities to reduce risk of virus transmission and exposure to environmental health hazards, and to support student health needs and 2) inspection, testing, maintenance, repair, replacement, and upgrade projects to improve the indoor air quality in school facilities.

2. Would funds be available for purchase and installation of a new HVAC unit?

Yes, the reasonable costs of purchasing and installing a new HVAC unit to improve air quality would be allowable. ESSER II expressly allows 1) Repairing and improving school facilities to reduce risk of virus transmission and exposure to environmental health hazards, and to support student health needs and 2) Inspection, testing, maintenance, repair, replacement, and upgrade projects to improve the indoor air quality in school facilities.

3. If funds are used for a ventilation system, can it be fully expensed to use funds by the deadline and not have to be depreciated as a capital expenditure?

Reasonable cost for improving, installing, or replacing a ventilation system would be allowable using ESSER II funds, which expressly allows funds to be used for 1) Repairing and improving school facilities to reduce risk of virus transmission and exposure to environmental health hazards, and to support student health needs and 2) Inspection, testing, maintenance, repair, replacement, and upgrade projects to improve the indoor air quality in school facilities.

4. Can ESSER II funds be used for door and window replacement?

Yes, reasonable costs for replacing doors and windows are allowable using ESSER II funds.

5. Can we use ESSER II funds to purchase a parcel of land next to us that we could use for more space to spread out students?

A district may use ESSER II funds to acquire real property or modular classrooms if needed to respond to COVID-19.

Full MA DESE Guidance can be found at:

<https://www.doe.mass.edu/federalgrants/esser/esser2-faqs.docx>

The Administration is working with the City Manager and the City of Worcester's Department of Energy and Asset Management to develop an HVAC Engineering Study of most WPS school buildings to identify the cost and scope for repairing any current deficiencies, including any related equipment, boilers, chillers, etc. and include the potential cost to replace with new, non-fossil fuel equipment, where possible.