TOWN OF CHELMSFORD, MASSACHUSETTS

REPORT ON APPLYING AGREED-UPON PROCEDURES

DESE EOYR COMPLIANCE SUPPLEMENT TESTING

YEAR ENDED JUNE 30, 2025

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TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Select Board and School Committee
Town of Chelmsford, Massachusetts

We have performed the procedures enumerated in the attached schedule on the Town of Chelmsford, Massachusetts' (Town) compliance with the Massachusetts Department of Elementary and Secondary Education's (DESE) compliance requirements applicable to the preparation and filing of a Massachusetts School District's End of Year Financial Report (EOYR) as of and for the year ended June 30, 2025. The Town's management is responsible for its compliance with those requirements.

The Town has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of applying procedures and reporting associated findings related to the Town's compliance with DESE's compliance requirements applicable to the preparation and filing of a Massachusetts School District's End of Year Financial Report (EOYR) as of and for the year ended June 30, 2025. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are identified in the attached Schedule of DESE EOYR Compliance Supplement Testing Results.

We were engaged by the Town to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Town's compliance with DESE's compliance requirements applicable to the preparation and filing of a Massachusetts School District's End of Year Financial Report (EOYR) as of and for the year ended June 30, 2025. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Honorable Select Board and School Committee
Town of Chelmsford, Massachusetts

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

CliftonLarsonAllen LLP

Boston, Massachusetts
June 5, 2026

TOWN OF CHELMSFORD, MASSACHUSETTS
SCHEDULE OF DESE EOYR COMPLIANCE SUPPLEMENT TESTING RESULTS
YEAR ENDING JUNE 30, 2025

DESE Compliance Supplement Requirements	Agreed-Upon Procedures	Results
General Compliance Requirements		
1. For all EOYR Schedules:		
A. Ascertain if the financial information was prepared in accordance with the budgetary basis of accounting (e.g., modified accrual basis plus current year encumbrances minus expenditures of prior year encumbrances).	Obtained copies of the current and prior year general ledger reports with the School Department General Fund expenditures, including any outstanding encumbrances, and confirmed that the total expenditures reported on Schedule 1 of the EOYR consisted of current year expenditures and encumbrances, less prior year encumbrances.	The procedure was performed without exception.
a. Trace the amounts reported to accounting and other records that support the audited financial statements and verify agreement or perform alternative procedures to verify the accuracy and completeness of the reports and that they agree with the accounting records.	Traced individual amounts reported to the underlying support (e.g., expenditure ledger).	The procedure was performed without exception.
b. Determine if all encumbrances were closed out by 12/31 deadline and that reported expenditures were adjusted accordingly.	Obtained general ledger report(s) to determine if encumbrances were closed out by 12/31.	The procedure was performed without exception.
B. Trace non-financial data to records that accumulate and summarize data.		
a. Perform 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, test eligibility criteria for reimbursable riders (pupils residing greater than 1.5 miles from their school of attendance).	For non-financial amounts reported on Schedule 4, traced DESE placements reported to Placement Report obtained from District. For non-financial amounts reported on Schedule 7, traced detailed rider listings provided by the District to reimbursable riders residing greater than 1.5 miles from their school of attendance.	The procedures were performed without exception.
b. When intervening computations or calculations are required between the records and the schedules, trace reported data elements to supporting worksheets or other documentation that link the schedules to the data.	Traced the number of students included in the summary rider listings reported on the EOYR back to the detailed transportation reports identifying the addresses and distances the students live from the schools they attend, and confirmed the number of reimbursable and non-reimbursable riders reported on the EOYR were calculated correctly.	The procedure was performed without exception.
C. Determine if the District's accounting system meets the following DESE Requirements:		
a. Determine whether the District uses an accounting system that 1) provides for the reporting of all instructional costs by school location and 2) is in accordance with 603 CMR 10.03 (3)(a).	Obtained copies of the District's expenditure reports and observed that all instructional expenditures were recorded in appropriate accounts that included specific account segments designated for each individual school. Obtained copies of the District's expenditure reports and determined the accounting system is in accordance with 603 CMR 10.03 (3)(a).	The procedures were performed without exception.
b. Determine if the accounting system is supported by up-to-date written policies and procedures and that the policies and procedures are followed on a uniform and consistent basis.	Obtained a current set of policies and procedures related to the accounting system maintained by the client and determined that such policies and procedures are followed on a uniform and consistent basis by observing that the current and prior year general ledger reports contain the necessary information to prepare the EOYR, are consistent with the policies and procedures, and are comparable from year to year.	The procedure was performed without exception.
c. Determine if the District maintains written policies and procedures related to the classification of salaries and expenses by program, function and object and that the policies and procedures are followed on a uniform and consistent basis.	Obtained the District's written policies and procedures related to the classification of salaries and expenses by program, function and object and observed that the policies and procedures are followed on a uniform and consistent basis by observing the general ledger and/or crosswalk provided.	The procedure was performed without exception.
2. Obtain written representation from management that the reports provided to the auditor are true copies of the EOYR submitted or electronically transmitted to the Department of Elementary and Secondary Education.	Obtained signed Management Representation letter from management which states that the reports provided are true copies of the EOYR submitted or electronically transmitted to the Department of Elementary and Secondary Education.	The procedure was performed without exception.
3. Determine that the District submitted a signed Certification Statement.	Obtained signed Certification Statement submitted to DESE.	The procedure was performed without exception.
4. Determine if amendments required from prior year's audit were submitted.	Inquired of the District of any correspondence from the DESE that indicated they were required to make amendments based on the prior year agreed-upon procedures. If so, reviewed DESE correspondence and documentation that the District submitted the required amendments.	The procedure was performed without exception.
Specific Compliance Requirements		
I. Revenues		
1. Trace Revenues from Local Sources reported on Schedule 1 to the municipal and District accounting ledgers. Also, trace the revenues reported on the District's accounting ledgers to the revenues reported on Schedule 1. These amounts should agree.	Traced revenues from Local Sources reported on Schedule 1 to revenue ledger provided by the District. Traced local sources revenues reported in the District's revenue ledger to Local Sources reported on Schedule 1.	The procedures were performed without exception.

2. Trace the revenue reported from state aid, federal grants, state grants, and revolving and special funds to the detail in the District's accounting ledgers. Also, trace the revenues reported on District's accounting ledgers to revenues reported on Schedule 1. These amounts should agree with the possible exception of revenue from state aid, federal grants and state grants, which are entered by the State based on allotments. Validate that the DESE Administered Federal Grant revenues entered on line 300 and the DESE Administered State Grant revenues on 510 match the final FY25 grant revenue file posted on the DESE EOYR website. Note: Amounts deposited in legally authorized revolving accounts (e.g. School Choice) cannot be transferred to the General Fund.	Traced state aid, federal grants, state grants, revolving and special funds revenues reported on Schedule 1 to revenue reports provided by the District. Traced state aid, federal grants, state grants, revolving and special funds revenues reported in the District's revenue ledger to state aid, federal grants, state grants, revolving and special funds revenues reported on Schedule 1. Traced line 300 and line 510 reported on Schedule 1 to the amounts posted on the DESE EOYR website and the amounts reported in the District's ledgers.	The procedures were performed without exception.
II. Expenditures		
3. Trace the amounts reported for general fund education expenditures from Schedule 1, line 1850, to the municipal accounting ledgers and to the District accounting ledgers. Also, trace the expenditures reported on the District accounting ledgers to expenditures reported on Schedule 1. These amounts should agree. If a "crosswalk" exists between the accounting ledgers and the EOYR, verify that the crosswalk agrees with the accounting ledgers in total and trace a sample of expenditures from the crosswalk to the accounting ledger.	Obtained the crosswalk and traced amounts reported for general fund education expenditures from Schedule 1, line 1850 to an expenditure report or crosswalk used to populate Schedule 1 expenditures on the EOYR. Also, traced the expenditures reported on the District's accounting ledgers to expenditures reported on Schedule 1. Verified that the crosswalk agrees with the accounting ledgers in total and traced all expenditures from the crosswalk to the accounting ledger.	The procedures were performed without exception.
4. Trace the amounts reported for a sample of DESE functions (i.e., teachers, principals), object codes (i.e. professional salaries (01), other salaries (02), and other expenditures (04-06) and DESE programs (i.e. regular day, special education, etc.) in Schedule 1 to the detail in accounting ledgers or to the crosswalk, if applicable. These amounts should agree.	Selected all of the DESE functions reported in Schedule 1 and traced the amounts reported (by function, state object and program) to the expenditure report or crosswalk used to populate the expenditures on the EOYR.	The procedure was performed without exception.
5. Test Extraordinary Maintenance expenditures for the following (4300): Verify that expenditures do not include salaries. Verify that these expenditures include applicable principal portions of a loan or the cost of a lease/purchase agreement. Verify that expenditures classified as Extraordinary Maintenance (4300) do not exceed the per project per school dollar limit for extraordinary maintenance ($150,000). Trace the expenditures to the detail in the accounting ledgers.	Obtained detailed expenditure report for Extraordinary Maintenance expenditures reported on Schedule 1 of the EOYR and confirmed that these expenditures do not include salaries and that these expenditures include applicable principal portions of a loan or the cost of a lease/purchase agreement. Verified that they do not exceed the per project per school dollar limit for extraordinary maintenance of $150,000. Traced expenditures reported to an expenditure report provided by the District.	Not applicable - no expenditures reported as there are no Extraordinary Maintenance related costs.
6. Determine how expenditures for fringe benefits are assigned or allocated to Schedule 1 Employee Benefits & Insurance (5100, 5200). (a) Trace the reported cost to the detail in the accounting ledgers using the methodology indicated. These amounts should agree. (b) Determine if expenses are charged to 5150 Employee Separation Costs. If no expenses are charged inquire if any District employees retired in FY25. In the event District employees retired, there should be costs/expenses reported. (c) Determine if the District reported Insurance for Retired School Employees (5250) separately and appropriately.	Traced expenditures reported for fringe benefits directly to expenditure reports and/or other accounting records (i.e., invoices, allocation schedules, written agreement between the City/Town and School indicating the agreed-upon allocation methodology, etc.). Observed the separate reporting for Employee Separation Costs (5150). If no amounts were reported, inquired if any District employees retired in FY25. Observed the separate reporting for Insurance for Retired School Employees (5250) and traced the amount reported to an expenditure report.	The procedures were performed without exception.
7. If amounts are reported for Rental Lease of Equipment or Buildings determine if the required rental lease schedule is maintained locally.	Traced amounts reported on lines 1681 and 1682 to supporting documentation of rental lease.	Not applicable - no expenditures reported as there are no rental leases of equipment or buildings related to the School.
8. Verify that expenditures charged to Line(s) 1683 or 2060 - Short-term Interest RAN's (5400) relate exclusively to Revenue Anticipation Notes (RAN's).	Traced amounts reported on lines 1683 and 2060 to supporting documentation and observed that such charges related exclusively to RAN's.	Not applicable - no expenditures reported as there are no Revenue Anticipation Notes (RANs) related to the School.
9. Verify that expenditures charged to Line(s) 1684 or 2065 - Short-term Interest - BAN's (5450) relate exclusively to Bond Anticipation Notes (BAN's).	Traced amounts reported on lines 1684 and 2065 to supporting documentation and observed that such charges related exclusively to BAN's.	Not applicable - No expenditures reported as there are no Bond Anticipation Notes (BANs) related to the School.
10. Identify expenditures reported as long-term School Construction debt for principal (8100) and interest (8200). Verify that bond anticipation notes are not included in these functions. Trace the reported costs to the Treasurer's debt schedule. Trace the reported amount to the detail in the accounting ledgers. These amounts should agree. NOTE: If the District received a lump sum wait list or progress payment from the Mass. School Building Authority, verify that the revenue was reported on Line 130 and that expenses were reported for paydown of principal (8100), or Purchase of Land and Buildings (7100, 7200), if applicable.	Traced amounts reported as long-term School Construction debt for principal (8100) and interest (8200) to the applicable debt service schedules and expenditure ledger. For amounts recorded in the expenditure ledger for debt service principal and interest that were not traced to a debt service schedule, we obtained the documentation supporting such charge. Observed the District's general ledger for MSBA lump-sum or progress payments and traced any such amounts to Line 130 (Revenue from State Aid) of the EOYR. Observed the District's general ledger for principal paydowns of school construction debt and purchases of land and buildings and traced such amounts to Line 8100, 7100 and 7200, as applicable.	The procedures were performed without exception.

11. Trace the expenditures for tuition payments: to other public school districts in state (9100), to out of state schools (9200), to non-public schools (9300), to member collaboratives (9400), and assessments to member regional school districts (9500) to the detail in the accounting ledgers. These amounts should agree. NOTE: If the District prepaid FY '26 Special Education Tuition, verify prepaid tuition was not included as an FY '25 expense. If the District prepaid FY '25 tuition in FY '24, that amount should be included as an FY '25 expense.	Traced expenditures for tuition payments, reported in the EOYR as 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, to the District's detailed expenditure ledger. Observed and inspected supporting documentation supporting current year prepaid tuition is not included in the tuition payments reported in the EOYR, and that prior year prepaid tuition is included in the tuition payments reported in the EOYR.	The procedures were performed without exception.
12. For municipal expenditures that result in services directly related to the school committee: a) Obtain a copy of a written agreement between the School Committee and Municipal officials documenting agreed upon methodologies to be used when allocating, distributing or assigning municipal expenditures to the District. b) Test the amounts reported using the documented methodology. These amounts should agree.	Obtained a copy of the written agreement between the School Committee and Municipal officials that documents the agreed upon methodologies to be used when allocating, distributing or assigning municipal expenditures to the District. Recalculated the amounts reported based on the written methodology previously obtained.	The procedures were performed without exception.
13. Expenditures from Federal Grants, State Grants and Special Funds: a) Trace amounts claimed as Circuit Breaker expenses on Line 3080, Column 7, to the accounting ledgers or journals. b) Determine if the District charged a restricted indirect rate to grants and indicate so in the report (including the rate charged).	Traced expenditure amounts reported on Line 3080, Column 7 for Circuit Breaker to an expenditure report provided by the District. Through inquiry of the applicable personnel, determined whether or not the District charged a restricted indirect rate to grants and if so, obtained documentation of the rate charged.	The procedures were performed without exception.
Schedule 3		
14. For Schedule 3 expenditures:		
a. Verify that the district's accounting system includes school location codes and trace the amounts reported by school location on the linked file to the accounting ledgers. These amounts should agree.	Traced amounts reported by school location to an expenditure report or crosswalk prepared by the District.	The procedure was performed without exception.
b. If staff is assigned to more than one school, determine if the District maintains a payroll system or spreadsheet to document the assignment of staff salaries by school location.	Through inquiry of the applicable personnel and observation of payroll reports, confirm that the District maintains a payroll system or spreadsheet to document the assignment of staff salaries by school location.	The payroll system is used to assign staff salaries by school location.
c. If allocations are used to assign staff salaries to schools, programs, functions or objects, were the allocations supported by a documented methodology?	If allocations were used to assign staff salaries to schools, programs, functions or objects, obtained a documented methodology to allocate such salaries.	Not applicable, allocations not used.
d. If allocations are used for non-salary expenditures, determine if the District maintains a documented methodology for consistency in application. Allocations are acceptable on Schedule 3 for non-salary expenditures although direct assignment or charging is preferable.	If allocations were used for non-salary expenditures, obtained a documented methodology and recalculated amounts to confirm consistency in the application of such methodology.	Not applicable, allocations not used.
e. Ensure amounts reported as District-wide expenditures cannot be assigned to a specific school.	Reviewed amounts reported as District-wide expenditures to determine whether or not they should be assigned to a specific school.	The procedure was performed without exception.
Schedule 4		
15. Ascertain the methodology used to allocate, distribute or assign special education costs to the placements categories on Schedule 4 and review the propriety of the methodology. Test the amounts reported on Schedule 4 using this methodology. These amounts should agree.	Obtained documentation supporting the District's methodology to allocate, distribute and assign SPED costs to the placements reported on Schedule 4. Determined through comparison that the methodology was consistent with prior years and is based on the number of SPED students reported by placement code or direct expenditures reported by placement code. Recalculated the amounts reported on Schedule 4 based on the methodology.	The procedures were performed without exception.
Schedule 7		
16. Trace the transportation expenditures reported on Schedule 7 to the transportation expenditures reported on Schedule 1. These amounts should agree. Ensure that all expenditures reported do not include unliquidated encumbrances. Determine the methodology used to allocate transportation expenditures on Schedule 7 and verify the accuracy of the allocations. Also if applicable, verify that reimbursable expenditures have been reduced by transportation revenue received from students transported.	Traced transportation expenditures reported on Schedule 7 to transportation expenditures reported on Schedule 1. Obtained report of the District's unliquidated encumbrances to determine they were not reported in Schedule 7. Obtained supporting documentation of the District's methodology used to allocate transportation expenditures on Schedule 7 and recalculated the amounts reported based on the methodology. If transportation fees are reported on Schedule 1, traced reimbursable expenditures reported to the underlying support (e.g., schedule calculating amount from expenditure ledger less transportation revenue received).	The procedures were performed without exception.
17. Determine if there is adequate detail to support amounts reported (expenses and riders) for Special Education pupils transported outside the district.	Obtained supporting documentation of amounts reported (expenses and riders) for Special Education pupils transported outside the district.	The procedure was performed without exception.

18. Trace the riders reported on Schedule 7 to the detailed transportation records and verify that the amounts reported on Schedule 7 are accurate and consistent with the detailed records.	Traced rider amounts reported on Schedule 7 to detailed rider listings maintained by the District.	The procedure was performed with the following exception: The rider count reported on Line 4283, *Homeless Transportation to Outside the District* , column 6, is understated by 1 rider. The rider count reported of 25 should be 26. An amendment has been filed with DESE.
19. Determine if the District's accounting system separates costs in order to facilitate reporting as outlined in Schedule 7, including in- or out- of-district, pre-school, non-public, school choice, charter school. (a) Determine if reimbursable expenditures claimed on Line 4283 Homeless to Outside the District and Line 4285 Homeless from Outside the District are supported by adequate documentation. (b) Verify that foster care transportation was not claimed as homeless and is reported appropriately on Line 4286. If a cost allocation plan was used to determine reimbursable expenditures, review the propriety of the plan and test the expenditures reported.	Observed the District's general ledger to identify whether or not the accounting system separates costs in order to facilitate reporting as outlined in Schedule 7 between In or Out of District, Pre-School, Non-Public, or School Choice & Charter School. Obtained supporting documentation for reimbursable expenditures claimed on Line 4283 for Homeless to Outside the District and Line 4285 for Homeless from Outside the District. As part of this procedure, determined foster care transportation was not claimed as homeless, and is reported appropriately on line 4286. If a cost allocation plan was used, obtained supporting documentation of the District's methodology to allocate reimbursable expenditures reported on Line 4283 and Line 4285 and determined through comparison that the plan was consistent with prior years and is based on the number of homeless students in each category. Recalculated the amounts reported on Line 4283 and Line 4285 based on the cost allocation plan.	The procedures were performed without exception.
Schedule 19		
20. Determine if the School District has reported all changes to Schedule 19, Part A.1 - Appropriation By School Committee to the Department. Compare the final School Committee Appropriation to Schedule 19, Part A.1 as filed/amended to determine if all changes were reported.	Traced final School Committee Appropriation amount per Line 7320 of Schedule 19 to supporting certified budgetary votes.	The procedure was performed without exception.
21. Determine amounts budgeted in Schedule 19 Part A.2 are consistent with methodologies outlined in the agreement noted in procedure 12a above.	Obtained documentation supporting the amounts budgeted in Schedule 19 Part A.2. Recalculated the amounts in accordance with the methodologies identified in procedure 12a above.	The procedure was performed without exception.
22. Determine that retiree health insurance (5250) is reported separately.	Observed Line 7490 to identify whether or not amounts were reported for retiree health insurance (5250).	Amounts were reported for retiree health insurance (5250) on Line 7490.