

Independent Accountant's Report on Applying Agreed-Upon Procedures

DATE

To the Board of Trustees of Old Sturbridge Academy Charter Public School and
the Department of Elementary and Secondary Education:

We have performed the procedures enumerated below, which were agreed to by the management of Old Sturbridge Academy Charter Public School (the School) and the Commonwealth of Massachusetts, Department of Elementary and Secondary Education (the Department) (the specified parties), solely to assist in evaluating the School's assertion to the Department that it has complied with the requirements of the Federal Charter Schools Program grant (CSP), inclusive of Federal and Department guidelines in managing the CSP grant for the period from February 27, 2017 through June 30, 2017. The School's management is responsible for compliance with the requirements of the CSP grant. The sufficiency of these procedures is solely the responsibility of management of the School and the Department. Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

Procedure #1:

- Obtain a copy of the CSP grant award, inclusive of any amendments.

Result #1:

- We obtained a copy of the CSP grant award without exception.

Procedure #2:

- Obtain the detail of expenditures incurred for the period under review relating to the CSP grant and reconcile the total expenditures incurred to the CSP grant revenue recorded by the School in the general ledger and investigate the differences.

Result #2:

- We noted no differences in total expenditures relating to the CSP grant and revenue incurred. All were properly recorded in the School's accounting system.

Procedure #3:

- Compare the approved CSP budget to the actual expenditures incurred and investigate any differences greater than 10% of the total budget.

Result #3:

- The CSP grant was tested through June 30, 2017. The grant period ends on August 31, 2017, accordingly, this step could not be performed. However, for the period ended June 30, 2017, no expenditures were in excess of the budgeted line item.

10/3/2017

Procedure #4:

- Select a sample of expenditures from the detail expenditures incurred during the period based on the criteria set forth below:
 - a. Payroll - Select 10 items or 10% of the total number of payroll items charged to the CSP grant, whichever is less.
 - b. Other expenses - Select 10 items or 10% of the total number of items charged to the CSP grant, whichever is less.

And determine the following:

- i. The expenditure is in accordance with the purpose of the grant and that pre-opening expenditures are charged to pre-opening periods. (See non-regulatory guidance on the CSP grant at <http://www2.ed.gov/programs/charter/nonregulatory-guidance.html>).
- ii. The expenditure was charged to the proper budget category.
- iii. The expenditure was charged to the appropriate fiscal period.

Result #4:

- Payroll expenditures were charged to the CSP grant in accordance with the CSP approved budget. We selected two transactions of other non-personnel related disbursements and noted that these transactions were in line with the intended purpose of the grant. We also noted that these transactions were charged to the proper budget category and were charged to the appropriate fiscal period.

Procedure #5:

- Obtain Request for Funds forms (RF1) submitted to the Department during the period under review:
 - a. Trace the amounts reported in the RF1 to the listing of expenditures and determine if any discrepancies exist.
 - b. If items have not yet been requested for reimbursement, inquire of responsible School officials as to the plan for requesting reimbursement, and determine if a receivable is recorded within the general ledger, if appropriate.
 - c. If RF1 form includes amounts for cash advances (cash expenditures anticipated during next month), determine if the total of the funds expended in the month subsequent to the date of the request is equal to or exceeds the amount requested.

Result #5:

- We noted no discrepancies between actual expenditures incurred and recorded as compared with amounts reported in the RF1. All cash advances were expended in the month subsequent to the date of the request.

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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 audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the School's compliance with the requirements of the CSP grant. 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 use of the School and the Commonwealth of Massachusetts, Department of Elementary and Secondary Education, and it is not intended to be, and should not be, used by anyone other than those specified parties.

Westborough, Massachusetts
DATE

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