



April 7, 2021

Mr. Brian Keveny  
Finance Director  
Town of Wayland  
41 Cochituate Road  
Wayland, MA 01778

Dear Mr. Keveny:

You have requested that we audit the basic financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Wayland, Massachusetts (the Town), as of June 30, 2021 and for the year then ended, and the related notes to the financial statements. In addition, we will audit the Town's compliance over major federal award programs for the year ending June 30, 2021. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the entity's major federal award programs.

Accounting principles generally accepted in the United States of America require that certain information be presented to supplement the basic financial statements, including the management's discussion and analysis (MD&A) and various pension and other post-employment benefits (OPEB) schedules. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI.

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Supplementary information other than RSI will accompany the Town's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the Supplementary Statements and Schedules information in relation to the financial statements as a whole.

Also, the document we submit to you will include the following other additional information that will not be subjected to the auditing procedures applied in our audit of the financial statements:

- Introductory Section
- Statistical Section

### **The Objective of an Audit**

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in accordance with Generally Accepted Accounting Principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

### **General Audit Procedures**

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected



depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures also include certain tests of documentary evidence that support the transactions recorded in the accounts. As part of our audit process, we will request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the basic financial statements and related matters.

#### **Internal Control Audit Procedures**

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance (whether caused by errors, fraudulent financial reporting, misappropriation of assets, detected abuse, or violations of laws or governmental regulations) may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America. Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

In making our risk assessments, we consider internal control relevant to the Town's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

#### **Compliance with Laws and Regulations**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Town's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.



## **Single Audit**

### ***Schedule of Expenditures of Federal Awards***

We will subject the Schedule of Expenditures of Federal Awards (the Schedule) to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the Schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the Schedule of Expenditures of Federal Awards is presented fairly in all material respects in relation to the financial statements as a whole.

### ***Data Collection Form***

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form (DCF) that are our responsibility. The DCF will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, Schedule of Expenditure of Federal Awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the Federal Audit Clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the Federal Audit Clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the earlier of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

### ***Audit of Major Program Compliance***

Our audit of the Town's major federal award programs compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; and the Uniform Guidance, and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance and other procedures we consider necessary to enable us to express such an opinion on major federal award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the Town has complied with applicable laws and regulations and the



provisions of contracts and grant agreements applicable to major federal award programs. Our procedures will consist of determining major federal programs and performing the applicable procedures described in the U.S. Office of Management and Budget OMB *Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Town's major programs. The purpose of those procedures will be to express an opinion on the Town's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Also, as required by the Uniform Guidance, we will perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the Town's major federal award programs. However, our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the Town's major federal award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

### **Management Responsibilities**

Our audit will be conducted on the basis that management acknowledges and understands that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements.
3. To provide us with:
  - i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters.
  - ii. Additional information that we may request from management for the purpose of the audit.



- iii. Unrestricted access to persons within the Town from whom we determine it necessary to obtain audit evidence.
- 4. For including the auditor's report in any document containing financial statements that indicates that such financial statements have been audited by the Town's auditor.
- 5. For identifying and ensuring that the Town complies with laws, regulations, grants, and contracts applicable to its activities and its federal award programs and implementing systems designed to achieve compliance with applicable laws, regulations, grants, and contracts applicable to activities and its federal award programs.
- 6. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole.
- 7. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets.
- 8. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.
- 9. Single audit
  - a. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented.
  - b. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings.
  - c. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings.
  - d. For submitting the reporting package and data collection form to the appropriate parties.
  - e. For making the auditor aware of any significant vendor/contractor relationships where the vendor/contractor is responsible for program compliance.
  - f. For preparing the Schedule of Expenses of Federal Awards (including notes and non-cash assistance received) in accordance with the Uniform Guidance requirements.
  - g. For the design, implementation, and maintenance of internal control over compliance.



With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited financial statements, or if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon. As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

### **Reporting**

We will issue a written report upon completion of our audit of the Town's basic financial statements. Our report will be addressed to the Board of Selectmen of the Town of Wayland, Massachusetts. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraphs, or withdraw from the engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

### **Engagement Administration and Fees**

#### ***Engagement Administration***

Alina Korsak, CPA, is the engagement principal for the audit services specified in this letter. Those responsibilities include supervising the Town's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report and agreed-upon procedures reports.

In order for us to complete this engagement, and to do so efficiently, we require unrestricted access to documents and individuals within your organization. We understand that your employees will prepare all cash and other confirmations we request and will locate and provide to us any documents selected by us for testing. Any failure to provide such cooperation, and to



do so on a timely basis, will impede our services, and may require us to bill you for additional time, suspend our services, or withdraw from the engagement.

#### ***Fees***

Our fees are outlined below. Our invoices for these fees will be rendered each month as work progresses and are payable upon presentation. The below fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our fee also anticipates that the Town will prepare trial balances and supporting schedules. As part of the engagement, we will be available during the year to consult with you on financial management and accounting matters of a routine nature. Additional fees at our standard hourly rates will be charged for any other out-of-scope services.

	Fiscal Year End
	<u>June 30, 2021</u>
Basic Financial Statements	\$ 35,000
CAFR	7,200
EOYR AUP	4,600
Single Audit*	2,000
Student Activity Funds	7,700
	<u>\$ 56,500</u>

\* Single Audit fee is per program.

Additionally, the uncertainty surrounding the effects of the COVID-19 pandemic may result in an increase in the number of Federal programs (clusters) required to be audited in compliance with Uniform Guidance. As a result, additional fees may apply. We will discuss this with you once this determination is made.

#### ***Billing and Termination of Services for Nonpayment***

We specifically reserve the right to cease providing services and, if necessary in our sole opinion, to withdraw from the engagement if any fees are unpaid for more than sixty (60) days from the date of our invoice. If we elect to terminate our services for nonpayment, or for any other reason provided for in this letter, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our engagement. You will be obligated to compensate us for all time expended, and to reimburse us for all of our out-of-pocket costs, through the date of termination.





### **Other Services – Agreed-Upon Procedures for School End-of-Year Report**

We agree to apply procedures to the End-of-Year Financial Report for the fiscal year ending June 30, 2021, solely to assist the District in evaluating the District's assertion that it has complied with the requirements set forth in the Massachusetts Department of Elementary and Secondary Education's (DESE) *Compliance Supplement for Massachusetts School Districts Agreed-Upon Procedures Engagements* which will be applied to the End-of-Year Financial Report. The District's management is responsible for its compliance with those requirements.

The District agrees to and acknowledges that the procedures to be performed are appropriate to meet the intended purpose specified in the Massachusetts Department of Elementary and Secondary Education's (DESE) *Compliance Supplement for Massachusetts School Districts Agreed-Upon Procedures Engagements* for the year ended June 30, 2021. As a result, our report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Prior to the completion of the engagement, you agree to provide us with written agreement and acknowledgment that the procedures performed are appropriate for the intended purpose of the engagement as noted above.

We will conduct our engagement in accordance with the attestation standards for agreed-upon procedures engagements established by the AICPA. We are responsible for carrying out the procedures and reporting findings in accordance with these standards. We have no responsibility to determine the differences between the procedures to be performed and the procedures that we would have determined to be necessary had we been engaged to perform another form of attestation engagement.

Should we have any reservations with respect to the subject matter, we will discuss them with you before the report is issued.

We have no responsibility to update our report for events and circumstances occurring after the date of our report.

As part of our engagement, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the agreed-upon procedures. You agree to provide such confirmation.

The Wayland Public Schools' management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the



services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

We will maintain the confidentiality of your personal information and will apply procedures to protect against any unauthorized release of your personal information to third parties.

#### **Other Services – Agreed-Up On Procedures for Student Activity Funds**

We agree to apply procedures to the Student Activity Fund records maintained at the Wayland Public Schools (the District) for the year ending June 30, 2021, solely to assist the District in evaluating the District's assertion that it has complied with the requirements set forth in the Massachusetts Department of Elementary and Secondary Education's (DESE) *Agreed-Up On Procedures and Audit Guidelines: Student Activity Funds*. The District's management is responsible for its compliance with those requirements.

The District agrees to and acknowledges that the procedures to be performed are appropriate to meet the intended purpose specified in the Massachusetts Department of Elementary and Secondary Education's (DESE) *Agreed-Up On Procedures and Audit Guidelines: Student Activity Funds* for the year ended June 30, 2021. As a result, our report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Prior to the completion of the engagement, you agree to provide us with written agreement and acknowledgment that the procedures performed are appropriate for the intended purpose of the engagement as noted above.

We will conduct our engagement in accordance with the attestation standards for agreed-upon procedures engagements established by the AICPA. We are responsible for carrying out the procedures and reporting findings in accordance with these standards. We have no responsibility to determine the differences between the procedures to be performed and the procedures that we would have determined to be necessary had we been engaged to perform another form of attestation engagement.

Should we have any reservations with respect to the subject matter, we will discuss them with you before the report is issued.

We have no responsibility to update our report for events and circumstances occurring after the date of our report.



As part of our engagement, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the agreed-upon procedures. You agree to provide such confirmation.

The Wayland Public Schools' management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

We will maintain the confidentiality of your personal information and will apply procedures to protect against any unauthorized release of your personal information to third parties.

#### **Nonattest Services**

As part of this engagement we will perform the following nonattest services, based on information gathered during the audit process:

- Preparation of the financial statements in their entirety
- Consolidating funds into governmental and business-type activities and converting to the accrual basis of accounting based on information from the Town's accounting records
- Preparation of the Data Collection Form (DCF)

We will not assume management responsibilities on behalf of the Town. However, we will provide advice and recommendations to assist management of the Town in performing its responsibilities.

With respect to any nonattest services we perform, the Town's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

We are not hosts for any client information. You are expected to retain all financial and non-financial information to include anything you upload to a portal and are responsible for downloading and retaining anything we upload in a timely manner. Portals, including ShareFile, are only meant as a method of transferring data, are not intended for the storage of client information, and may be deleted at any time. You are expected to maintain control over your accounting systems to include the licensing of applications and the hosting of said applications and data. We do not provide electronic security or back-up services for any of your data or records. Giving us access to your accounting system does not make us hosts of information contained within.



This engagement is limited to the services previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account codings and approving journal entries.

## **Other Matters**

### ***Communications Via Email***

In connection with this engagement, we request that you provide as much documentation as possible via our secure portal, ShareFile, instead of through email. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

### ***Publishing of the Financial Statements***

You are responsible to notify us in advance of your intent to reproduce our report for any reason, in whole or in part, and to give us the opportunity to review any printed material containing our report before its issuance. Such notification does not constitute an acknowledgement on our part of any third party's intent to rely on the financial statements. With regard to financial statements published electronically on your internet website, you understand that electronic sites are a means to reproduce and distribute information. We are not required to read the information contained in your sites, or to consider the consistency of other information in the electronic site with the original document.

### ***Subsequent Events***

You agree to inform us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

### ***Recommendations***

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.



#### ***Peer Review Report***

In accordance with the requirements of *Government Auditing Standards*, a copy of our latest external peer review report of our firm is available upon request for your consideration and files.

#### ***Communication with Those Charged with Governance***

At the conclusion of our audit engagement, we will communicate to those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the Town's significant accounting practices.
- Significant difficulties, if any, encountered during the audit.
- Uncorrected misstatements, other than those we believe are trivial, if any.
- Disagreements with management, if any.
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process.
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures.
- Representations we requested from management.
- Management's consultations with other accountants, if any.
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

#### ***Records and Records Retention***

In connection with this engagement, we request that you provide as much documentation as possible via our secure portal, ShareFile, instead of providing hardcopies.

The audit documentation for this engagement is the property of Melanson and constitutes confidential information. However, we may be requested to make certain audit documentation available to regulators and federal agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Melanson's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

It is our policy to retain our audit documentation for a period of at least seven years from the date of our report.



Please sign and return a copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,

*Alina Korsak*

Alina Korsak, CPA  
Principal

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RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of the Town of Wayland, Massachusetts by:

Signature: *Louise Miller*

Name: LOUISE MILLER

Title: TOWN ADMINISTRATION

Date: MAY 3, 2021