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August 20, 2025

Town of Winchendon
Select Board
Winchendon, MA

Dear Honorable Board:

We have audited the financial statements of the Town of Winchendon, Massachusetts “the Town” as of and for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and the standards applicable to financial audits contained in *Governmental Audit Standards*, issued by the Comptroller General of the United States of America, as well as certain information related to the planned scope and timing of our audit. We communicated such information to the Town’s management prior to our commencement of auditing procedures. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Scope limitation

There were no scope limitations.

GAAP Departure

There were no GAAP departures.

Material Weaknesses/Significant Deficiencies

There were multiple material weaknesses. These are described in the management letter dated August 20, 2025.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town are described in Notes to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the fiscal year. We noted no transactions entered into by the Town during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the

financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Town's financial statements were:

The presentation of the Town's total pension liability and related accounts is determined through biennial actuarial studies, which are rolled forward by an actuary to June 30 each year. We have received an AU805 report from the independent auditor of the County pension system.

The presentation of the Town's total OPEB liability and related accounts is determined through biennial actuarial studies, which are rolled forward by an actuary to June 30 each year. We have received the actuarial report from the actuary.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements are those that describe the Town's net pension and OPEB liabilities.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

There were many difficulties encountered during the course of the audit. Significant turnover in multiple key financial and administrative positions, compounded by accounting errors, lack of basic controls, supporting documents, reconciliations and poor oversight in most financial functions caused the audit to be delayed many months.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. These were communicated as they were observed, and adjustments were made by the Town where applicable. Adjustments not made were not material to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 20, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Plan's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the

consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

We made multiple other observations including multiple material weaknesses that are discussed in a separate management letter dated August 20, 2025.

Other Matters

We applied certain limited procedures to the Town's required supplementary information ("RSI") that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI. We also made verbal communications about matters that we deemed appropriate to Town Management throughout the course of the engagement and through the time of issuance of the financial statements and issued a management letter that consisted of informational items, material weaknesses and internal control observations dated August 20, 2025.

Restriction on Use

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

Very truly yours,

Roselli, Clark & Associates

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