

TOWN OF MILLIS, MASSACHUSETTS

Independent Accountants' Report On Applying
Agreed-Upon Procedures Over Compliance
Applicable To Massachusetts School Districts'
End-Of-Year Pupil and Financial Report

For the Year Ended June 30, 2010

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES OVER COMPLIANCE APPLICABLE TO MASSACHUSETTS SCHOOL DISTRICTS' END-OF-YEAR PUPIL AND FINANCIAL REPORT

To the Board of Selectmen of the
Town of Millis, Massachusetts

We have performed the procedures specified in the Massachusetts Department of Elementary and Secondary Education's (ESE) Compliance Supplement applicable to Massachusetts School Districts to the End-of-Year Pupil and Financial Report prepared by the Town of Millis, Massachusetts for the fiscal year ended June 30, 2010. We performed these procedures solely to assist the Town and ESE evaluate the Town's assertion that it has complied with the ESE requirements applicable to the preparation and filing of a Massachusetts School Districts' End-of-Year Pupil and Financial Report. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report.

Consequently, we make no representation regarding the sufficiency of the procedures specified in the Massachusetts Department of Elementary and Secondary Education's Compliance Supplement applicable to Massachusetts School Districts to the End-of-Year Pupil and Financial Report for the purpose for which this report has been requested or for any other purpose. We have listed noncompliance of the agreed-upon procedures in the accompanying Schedule of Findings.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on the End-of-Year Pupil and Financial Report. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Additional Offices:

Greenfield, MA • Ellsworth, ME • Nashua, NH • Manchester, NH

This report is intended solely for the use of the Town and the ESE and should not be used by those who have not agreed to those procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record, and its distribution is not limited.

Melanson, Heath + Company P.C.

MELANSON HEATH & COMPANY, PC
Andover, Massachusetts
May 23, 2011

SCHEDULE OF FINDINGS

<u>Finding Number</u>	<u>Applicable ESE Compliance Step(s)</u>	<u>Finding</u>
1.	2	<p><u>Report All Revenues</u></p> <p>The Millis Public School Department did not report the Early Childhood ARRA grant revenues of \$ 5,229 on line 481.</p> <p><u>Recommendation</u></p> <p>We understand that an amendment has been filed to correct this issue.</p>
2.	6, 8, 11, 15	<p><u>Properly Report All Town Expenditures</u></p> <p>Employer Retirement Contributions reported on line 2000 were overstated. General ledger retirement expenditures used in the allocation included approximately \$ 7,700 of non-retirement assessment expenditures.</p> <p>In addition, the following Town allocated expenditures were reported incorrectly on the End of Year Report:</p> <ul style="list-style-type: none">• BAN Interest on modular classrooms of \$ 3,700 should have been reported on line 2065,• School Crossing Guard expenditures of \$ 33,278 should have been reported on line 2075 instead of on line 2070,• School articles for textbooks and professional development were reported as Maintenance of Equipment on line 1979,• Annual computer lease payments of \$ 49,922 were reported as Networking and Telecommunications expenditures on line 1995 instead of on line 2040 (Rental-Lease of Equipment) or line 2110 (Equipment) depending on the life of the leases.

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<u>Finding Number</u>	<u>Applicable ESE Compliance Step(s)</u>	<u>Finding</u>
		<ul style="list-style-type: none">• Annual bus lease payment of \$ 70,000 was reported as transportation expenditures (function 3300) on line 1950 instead of on line 2040 (Rental-Lease of Equipment) or line 2110 (Equipment) depending on the life of the lease. As a result, Schedule 7 is overstated.
3.	10, 14	<p><u>Recommendation</u></p> <p>We understand that an amendment has been filed to correct these issues.</p> <p><u>Correctly Report Tuitions on Schedules 1 and 4</u></p> <p>The Millis Public School Department did an amendment to properly classify SPED tuitions between MA Schools and Collaboratives on Schedule 1; however, an amendment to correct Schedule 4 was not completed.</p> <p>In addition, \$ 5,148 of member collaborative tuition expenditures were reported as MA Public School tuitions and were not part of the aforementioned amendment.</p> <p>As a result, Schedule 4 SPED tuitions to MA Schools are overstated and tuitions to Collaboratives are understated by approximately \$ 158,000.</p>
4.	12	<p><u>Recommendation</u></p> <p>We understand that an amendment has been filed to correct these issues.</p> <p><u>Classify Expenditures per ESE on Schedule 1, C.2.</u></p> <p>The Millis Public School Department included approximately \$162,700 of ARRA SPED and Early Childhood grant expenditures as SFSF grant expenditures in column 1 instead of in columns 2 and 3.</p>

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<u>Finding Number</u>	<u>Applicable ESE Compliance Step(s)</u>	<u>Finding</u>
<u>Recommendation</u>		
We understand that an amendment has been filed to correct this issue.		
5.	15, 17	<u>Report Transportation Expenditures per ESE on Schedules 1 and 7</u> The Millis Public School Department and the Town reported approximately \$ 9,900 of SPED van lease payments and \$ 70,000 of bus lease payments (as indicated in finding # 2) as transportation costs in function 3300 instead of in functions 5300 or 7000 series, depending on the life of the leases. As a result, transportation expenditures were overstated on both Schedules 1 and 7. In addition, transportation expenditures from revolving and special funds on line 4320 were overstated by approximately \$ 23,000 because revolving fund expenses for field trips and athletic programs were included.
<u>Recommendation</u>		
We understand that an amendment has been filed to correct these issues.		
6.	18	<u>Report All Supplemental Appropriations on Schedule 19</u> Schedule 19 reported the Millis Public School Department's original budget as approved at ATM. However, a reduction in the budget by approximately \$ 108,000 was approved at the Fall STM. Schedule 19 was not amended to reflect the reduction.
<u>Recommendation</u>		
We understand that an amendment has been filed to correct this issue.		