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, 2009

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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, 2009. 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.

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, PC

Melanson, Heath + Company P. C.

Andover, Massachusetts

June 18, 2010

SCHEDULE OF FINDINGS

Finding <u>Number</u>	Applicable ESE Compliance <u>Step(s)</u>	<u>Finding</u>
1.	2	Report All Revenues
		 The Millis Public School Department did not report the following revenues received during fiscal year 2009: Early Childhood Grant revenues of \$16,693 should have been reported on Line 481. Other State Grant revenues of \$5,400 should have been reported on Line 590. Extended Day Care revenues of \$421,869 should have been included on Line 650. Italian Enrichment Gift revenues of \$1,076 should have been included on Line 660.
		Recommendation
		We recommend that the Millis Public School Department file an amendment to correct these issues.
2.	6,8,11,12	Properly Report All Town Expenditures
		The Millis Public School Department understated Insurance for Active Employees on Line 2010 by \$699,181 and overstated Insurance for Retired Employees on Line 2020 by \$133,356. This was partially due to a reporting misclassification of Federal SFSF grant expenditures on Schedule 1 C.2 where SFSF health insurance expenditures were reported entirely on Line 2992, but \$133,356 of the total should have been reported on Line 2993.
		Additionally, BAN Interest on modular classrooms of \$7,956 should have been reported on Line 2065. Furthermore, School Crossing Guard expenditures of \$34,111 should have been reported on Line 2075 instead of on Line 2070.
		Recommendation
		We understand that the Millis Public School Department has filed an amendment to correct the first issue stated, and we recommend that they file an amendment to correct the remaining issues.

Finding <u>Number</u>	Applicable ESE Compliance <u>Step(s)</u>	<u>Finding</u>
3.	15,16	Properly Report All Special Education Transportation Ridership and Expenditures on Schedule 7
		The Millis Public School Department reported 3 special education students on Line 4130, but these students are not transported by the District and should not have been reported.
		Transportation expenditures from revolving and special funds on Line 4320 was understated by \$18,168 because special education van drivers' expenditures were omitted.

we were unable to verify the adequacy of the allocation methodology used.

The School Department could not provide support for the allocation of special education van depreciation expenditures across Lines 4110 and 4120. As a result,

Recommendation

We understand that the Millis Public School Department has filed an amendment to correct the ridership issue stated, and we recommend that they file an amendment to correct the expenditure issue.