

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, 2011

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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, 2011. 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
March 29, 2012

SCHEDULE OF FINDINGS

<u>Finding Number</u>	<u>Applicable ESE Compliance Step(s)</u>	<u>Finding</u>
1.	1, 2	<u>Report All Revenues</u> The Millis Public School Department did not report \$ 22,101 of Medicaid revenues on line 101. In FY11, the revenue for ARRA IDEA Stimulus Program Grant was pre-populated on the EOYR and entered into line 300 column 5 (undistributed), rather than in line 300 column 3 (SPED). The Millis Public School Department did not detect and correct this error. In addition, transportation revolving fund revenues were reported on line 650 column 5 (undistributed), rather than in line 650 column 4 (other programs). <u>Recommendation</u> We understand that an amendment has been filed to correct these issues.
2.	2, 9	<u>Report MSBA Payoff</u> The Millis Public School Department did not report approximately \$ 4.7 million of MSBA revenues received as a lump sum payoff of the contract assistance balance on line 130 column 2. In addition, the related debt service expenditures of paying off the outstanding bonds were not reported by the Town on line 2130. <u>Recommendation</u> We understand that an amendment has been filed to correct these issues.
3.	10, 14	<u>Correctly Report Tuitions on Schedules 1 and 4</u> The Millis Public School Department reported \$ 88,360 in payments to a nonmember collaborative as collaborative tuitions on both Schedules 1 and 4. <u>Recommendation</u> We understand that an amendment has been filed to correct these issues.

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<u>Finding Number</u>	<u>Applicable ESE Compliance Step(s)</u>	<u>Finding</u>
4.	11	<u>Properly Report All Town Expenditures</u> The following Town allocated expenditures were reported incorrectly on the End-of-Year Report: • Human Resource/Benefits Administration expenditures of \$ 4,142 were reported on line 1910 as Business and Finance expenditures instead of on line 1912. • Annual computer lease payments of \$ 59,905 were reported on both lines 1996 and 2040, instead of on line 2040 (Rental-Lease of Equipment) only. <u>Recommendation</u> We understand that an amendment has been filed to correct these issues.
5.	12, 14	<u>Correctly Report Grant Expenditures</u> Grant expenditures reported on Schedule 1 for SFSF/Ed jobs did not agree to the Final Financial Reports by approximately \$ 17,000. This is a result of the Millis Public School Department not including the direct MTRS payments made on behalf of the School Department on the EOYR. As a result, SPED grant expenditures reported on line 3930 on Schedule 4 were also understated by the MTRS direct payments. <u>Recommendation</u> We understand that an amendment has been filed to correct these issues.

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<u>Finding Number</u>	<u>Applicable ESE Compliance Step(s)</u>	<u>Finding</u>
6.	13	<u>Properly Report Expenditures by Function on Schedule 3 by School</u> The Millis Public School Department reported High School related Function 2210 School Leadership expenditures as Function 2120 Department Heads/ Non-supervisory expenditures on Schedule 3. <u>Recommendation</u> We understand that an amendment has been filed to correct this issue.
7.	14	<u>Properly Report Expenditures on Schedule 4</u> The Millis Public School Department did not include \$ 3,135 of Circuit Breaker Medical/Therapeutic service expenditures on line 3820 as Function 2300 Teaching. In addition, it was noted that Millis Public School Department allocated a portion of total guidance costs to the preschool placement instead of allocating a portion of just the elementary school guidance expenditures. As a result, line 3840 column 1 was overstated by approximately \$ 13,000 and line 3840 column 2 was understated by the same amount. Further, Millis Public Schools was unable to provide support for how tuition costs on lines 3880 (Tuition to Mass Schools) and 3910 (Tuition to Collaboratives) were allocated among the Special Education placements. <u>Recommendation</u> We understand that an amendment has been filed to correct these issues.

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<u>Finding Number</u>	<u>Applicable ESE Compliance Step(s)</u>	<u>Finding</u>
8.	15, 16	<u>Report All Riders on Schedule 7</u> The Millis Public School Department did not report 59 students that ride the bus less than 1.5 miles on line 4000 column 8. As a result, expenditures reported on line 4000 were not properly allocated. <u>Recommendation</u> We understand that an amendment has been filed to correct this issue.