

TOWN OF MILLIS, MASSACHUSETTS

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

For the Year Ended June 30, 2014

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES OVER COMPLIANCE APPLICABLE TO MASSACHUSETTS SCHOOL DISTRICTS' END-OF-YEAR FINANCIAL REPORT	1
SCHEDULE OF FINDINGS	2
COMPLIANCE SUPPLEMENT QUESTIONNAIRE	5

Additional Offices:

Nashua, NH
Manchester, NH
Andover, MA
Ellsworth, ME

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

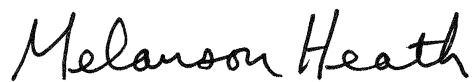
To the Board of Selectmen
Town of Millis, Massachusetts

We have performed the procedures enumerated below, which were agreed to by the management of the Town of Millis, Massachusetts, solely to assist the Town and the Massachusetts Department of Elementary and Secondary Education (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 Financial Report. The Town's management is responsible for the End-of-Year Financial Report. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below for the purpose for which this report has been requested or for any other purpose.

We performed the procedures specified in the Massachusetts Department of Elementary and Secondary Education's Compliance Supplement for Massachusetts School Districts Agreed Upon Procedures Engagements to the End-of-Year Financial Report prepared by the Town of Millis, Massachusetts for the fiscal year ended June 30, 2014. We have listed instances of noncompliance in the accompanying Schedule of Findings.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the End-of-Year 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 information and use of the Town and the ESE and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink that reads "Melanson Heath". The signature is written in a cursive, flowing style.

March 27, 2015

SCHEDULE OF FINDINGS

<u>Finding Number</u>	<u>Applicable ESE Compliance Step(s)</u>	<u>Finding</u>
1.	2	<u>Properly Report Revenues</u> The Millis Public School Department reported \$16,677 of Early Childhood SPED grant revenues on line 481, column 5 instead of in column 2. In addition, \$9,542 of School Athletic field revenues were not reported on line 650 column 5. <u>Recommendation</u> We understand that an amendment has been filed to correct these issues.
2.	6, 11	<u>Update Agreement to Reflect Current Allocations</u> The Agreement between the Town and School Department states that Insurance for Retired School Employees will be reported based on Cherry Sheet expenditures. However, this amount is reported at actual since there are no amounts reported on the Cherry sheet. In addition, the agreement states expenditures for bus leases and vehicle purchases will be reported under function 3300. These expenditures are appropriately being reported in the 7000 function series. <u>Recommendation</u> We recommend that the School/Town Allocation agreement be updated to reflect current appropriate allocation methodologies.

3.	10, 14	<u>Correctly Report Tuitions on Schedules 1 and 4</u>
<ul style="list-style-type: none"> • Collaborative tuitions of \$23,750 were reported on line 1770 column 1 as Tuition to Mass Schools instead of on line 1820 column 1 as Tuitions to Collaboratives. • Collaborative tuitions of \$70,605 and FY13 prepaid Collaborative tuitions of \$24,600 were reported on line 1770 column 2 as Tuitions to Mass Schools instead of on line 1820 column 2 as Tuitions to Collaboratives. 		
As a result, tuitions are incorrectly classified on Schedule 4.		
<u>Recommendation</u>		
We understand that an amendment has been filed to correct these issues.		
4.	13	<u>Properly Report Instructional Expenditures on Schedule 3</u>
Expenditures for function 2330 Non-Clerical Paraprofessionals/Instructional Assistants and function 2340 Librarians and Media Center Directors were all reported as Clyde Brown Elementary School expenditures. However, the crosswalk provided specifically shows expenditures for all three schools.		
<u>Recommendation</u>		
We understand that an amendment has been filed to correct these issues.		
5.	15	<u>Properly Report Revolving Transportation Expenditures on Schedule 7</u>
Athletic related transportation expenditures of \$20,447 were reported on line 4320 of Schedule 7. Per DESE instructions, transportation expendi-		

tures should be for transporting students to and from school.

Recommendation

We understand that an amendment has been filed to correct this issue.

Department of Elementary and Secondary Education
End-of-Year Financial Report - Compliance Supplement Questionnaire
For the Year Ended June 30, 2014

1. Identify the accounting system used by the school department including the version.

Accounting System: RDA Micro Budget

Version: XPERT

2. Is the payroll system integrated with the accounting system? Yes ☒ No ☐

3. Is the District a municipal department? Yes ☒ No ☐

If yes, is the accounting system integrated with the City or Town's accounting system? Yes ☐ No ☒

If no, please identify the accounting system and version used by the City or Town.

Accounting System: MUNIS

Version: 9.4

4. Does the accounting system permit the reporting of all school district expenditures, in accordance with DESE Guidelines, by the following:

Fund	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
DESE Function Code	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Object	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Program	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Location	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

5. Is a crosswalk used to allocate costs to the End-of-Year Report?

Payroll	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Non-Payroll	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

If yes, please provide a brief explanation indicating what costs are allocated and why an allocation is necessary.

Long term substitutes are allocated to teaching functions by school.

Separation costs were allocated from salary accounts to be reported as separation costs

Various non payroll items are reclassified between school locations from district wide
